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## Research

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A report to the Office for Fair Access by  
Professor Claire Callender, Birkbeck,  
University of London.

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# Awareness, take-up and impact of institutional bursaries and scholarships in England

**Summary and recommendations**

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# Awareness, take-up and impact of institutional bursaries and scholarships in England

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All the views expressed in this report are solely those of the authors.

Professor Claire Callender

Birkbeck, University of London

15/09/2009



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# Introduction

This document summarises the key findings of the first major national study of bursaries and scholarships – exploring the awareness, take-up and impact of institutional bursaries and scholarships in England from the perspective of higher education institutions (HEI), full-time undergraduate students, their parents, and higher education (HE) advisors in schools and colleges. The study was commissioned by the Office for Fair Access and undertaken by Professor Claire Callender of Birkbeck, University of London, and the National Institute of Economic and Social Research.

## What this document covers

This document explores:

- how HEIs have responded to the call to introduce bursaries and scholarships for full-time undergraduates in England
- how students, their parents, and HE advisors in schools and colleges have reacted to bursaries and scholarships
- whether bursaries and scholarships are promoting student choice and influencing student behaviour
- whether students' HE decisions are influenced by both the availability and generosity of institutional financial support, and if so how?

## The research findings

The research shows that:

- bursaries and scholarships, especially the most generous ones, are an effective recruitment tool for a significant minority of students
- most bursaries are meeting OFFA's and the government's desire to promote greater HE access for lower income students.

The system designed to broaden access has, in part, achieved this goal, but the overall success of bursaries has been limited by the lack of awareness, knowledge and understanding of bursaries on the part of many students, parents, and HE advisors. It has also been hindered by the information-seeking behaviour of these groups, especially the timing of their information search, and the scope of information provided by HEIs and others.

Despite great efforts by universities and colleges to give students information, bursary messages are not always getting through. There is, therefore, considerable scope for improving the overall effectiveness and efficiency of bursaries as a recruitment tool for HEIs and in influencing student decision-making. HEIs need to ensure more potential students are aware of bursaries and are encouraged to look for information about them when they are thinking about entering higher education and researching the HEI they would like to attend. HEIs also need to provide more information on bursaries and think about the design of their bursary and scholarship provision. In addition, HEIs and other stakeholders need to tackle these and other policy challenges arising from the current system of bursaries and scholarships.

# Background and context

## The OFFA research study – who we talked to and surveyed

The overall aim of the study was to produce a research-informed good practice guide to help increase the awareness and take-up of bursaries in England.<sup>1</sup>

The research programme consisted of:

- interviews with **key stakeholder organisations**
- a telephone survey of **74 HEIs** all of which were charging the maximum tuition fees. The survey was conducted between October and December 2008. Follow-up in-depth case studies were undertaken with nine of these HEIs between March and July 2009.<sup>2</sup> The survey explored the strategies and actions HEIs had undertaken to increase the awareness and take-up of their institutional bursaries and scholarships. The case studies aimed to collect more detailed information on examples of good practice
- an online survey of a nationally representative sample of just under **5,000 full-time undergraduate students** attending HEIs in receipt of a full or partial grant<sup>3</sup> who are the key (but not the sole) beneficiaries of bursaries.<sup>4</sup> The survey was conducted in October 2008 just as the students were about to start university for the first time.<sup>5</sup> The survey examined students' awareness and knowledge of bursaries, their information seeking behaviour, their attitudes towards bursaries, and how bursaries had influenced their behaviour and HE choices.
- a telephone survey with 114 of the **students' parents** undertaken in December 2008. The sample was broadly representative of parents with children aged under 21 years old at university who were single and childless.<sup>6</sup> The survey explored parents' awareness and knowledge of bursaries and their attitudes towards them, and compared these with those of their children
- a telephone survey of 150 **HE advisors** in schools and Further Education Colleges who were responsible for providing information, advice, and guidance to their students about going to university, including giving advice on student support. This survey, which was conducted between November 2008 and January 2009<sup>7</sup>, investigated HE advisors' awareness and knowledge of bursaries, their attitudes towards them, and details of how they provided information on student support to their students.

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<sup>1</sup> Callender, C. (2009) Good practice guidance for institutions: How to increase awareness and take-up of bursaries and scholarships, Office for Fair Access, Bristol

<sup>2</sup> For the full report see Callender, C. (2009) Strategies undertaken by higher education institutions in England to increase awareness, knowledge, and take-up of their bursaries and scholarships Office for Fair Access, Bristol

<sup>3</sup> See page 6 – the policy context – for who is eligible for a full and partial grant.

<sup>4</sup> At OFFA's request, the sample of students excluded: students studying at HEIs charging less than the maximum tuition fees as such students are ineligible for mandatory bursaries; students studying at further education colleges; and postgraduate students studying at School-centred initial teacher training providers.

<sup>5</sup> For the full report see Callender, C., Wilkinson, D., and Hopkin, R. (2009) The Impact of Institutional Financial Support in England: Higher Education Students' Awareness, Knowledge And Take-Up of Bursaries and Scholarships, Office for Fair Access, Bristol

<sup>6</sup> For the full report see Callender, C. (2009) Awareness and Knowledge of Institutional Bursaries and Scholarships Among the Parents of Higher Education Students in England, Office for Fair Access, Bristol

<sup>7</sup> For the full report see Callender, C. (2009) Awareness and Knowledge of Institutional Bursaries and Scholarships Among Higher Education Advisors in Schools and Colleges in England, Office for Fair Access, Bristol



## The policy context

### How bursaries and variable tuition fees came about

Institutional bursaries and scholarships were part of a larger package of student finance reforms introduced in England in 2006 through new regulations and the 2004 Higher Education Act. These changes established variable tuition fees for full-time undergraduates and re-instated maintenance grants for low-income students. Under the 2004 Act, English HEIs were allowed to charge up to £3,000 a year for their full-time undergraduate courses from 2006. In 2008-09, the maximum tuition was £3,145 a year, but only four English HEIs charged less than this for their first degree courses and a few more charged lower fees for sub-degree courses (e.g. Foundation Degrees, HNCs).<sup>8</sup>

All full-time undergraduates, irrespective of their family's income, now pay tuition fees. They can take out a Government-funded student loan to cover these fees, repaying their loan once they have graduated and are earning above a certain level. And they can also get a loan for their living costs which pre-dates the 2004 Act.<sup>9</sup>

### The role of OFFA

The 2004 Higher Education Act also established the Office for Fair Access (OFFA) as an independent, non-departmental public body. OFFA's remit was to ensure that the introduction of higher tuition fees did not have a detrimental effect on widening student participation and to encourage the participation of students from under-represented student groups. All HEIs wishing to charge higher tuition fees must submit what is called an 'access agreement' to OFFA setting out their tuition fee limit and their plans for bursaries and other financial support.

### Support for low-income students

Concerns about the effect of the reforms on widening participation prompted a new package of financial support for low-income students. First, Government-funded means-tested maintenance grants were re-introduced after being abolished in 1998. In 2008-09, students with family incomes below £25,000 qualified for a full grant of £2,835 a year while those with incomes between £25,001 and £60,005 could get a partial grant.<sup>10</sup> Secondly, HEIs charging tuition fees above the maximum maintenance grant (£2,835 in 2008-09) were obliged to give a minimum bursary of £310 (in 2008-09) to low-income students. These low income students are defined as those in receipt of a full government maintenance grant of £2,835, namely, students from families with annual residual household incomes of £25,000 or less. Together, these bursaries and the grant covered a low-income student's tuition fees in full.<sup>11</sup> The eligibility criteria for these minimum mandatory bursaries and the sums awarded are set centrally by government and the Office for Fair Access (OFFA) – they are universal and fixed.

### Most HEIs offer more than minimum bursary

In practice, however, HEIs have been more generous. In 2008-09, most offered well in excess of £310 to students from household incomes of £25,000 or less, with an average bursary of around £900 across all institutions. In addition, most HEIs gave additional discretionary financial support to other students, especially from groups under-represented in HE. These non-mandatory bursaries and scholarships are not compulsory nor are their eligibility criteria stipulated by government. Universities choosing to offer them are free to design their own disbursement schemes and set their own terms and conditions, including the income thresholds for eligibility and sums allocated.

<sup>8</sup> There was, however, considerably more variation in fees for both degree and sub-degree courses provided in the Further Education sector where less than half charged the maximum fees.

<sup>9</sup> A quarter of the maximum maintenance loan is means-tested. The amount a student can borrow for their living costs (but not for tuition fees) varies depending on their family income, whether they receive a Government grant, where they live while studying, where in England they study, and their year of study. Loans for living costs are paid in cash directly to the student while the value of the tuition loan is transferred directly to the HEI.

<sup>10</sup> In 2009-10 this upper threshold was reduced to £50,020.

<sup>11</sup> On 23 July 2009 OFFA announced that from 2010/11 the mandatory bursary would be set at 10% of the maximum tuition fee rather than making up the difference between the maximum grant and the tuition fee charged.

However, the government anticipated that OFFA should expect 'the most, in terms of outreach and financial support, from institutions whose records suggest that they have the furthest to go in securing a diverse student body.'<sup>12</sup> This has been integral to the OFFA philosophy from the outset.

With no standardised or universal eligibility criteria for these non-mandatory bursaries, HEIs' institutional aid varies widely. And unlike all other student support, these bursaries and scholarships are not portable from one HEI to another but are awarded by individual HEIs to their own students. So while there is limited variability in tuition fees across the HE sector, a market has grown up in non-mandatory bursaries and scholarships with considerable disparities in the amount of money HEIs are investing in them (ranging from 6 per cent to 48 per cent of their additional income from tuition fees being spent on low income groups)<sup>13</sup> and in the nature and scope of support offered (ranging from £305 to £10,000 per annum).

One consequence of this variability has been generous support for low-income and other under-represented groups. In 2007-08, universities and colleges in England spent £192m on bursaries and scholarships for these students – just over a fifth of the additional income they received from charging higher tuition fees.

### The Higher Education Bursary and Scholarship Scheme (HEBSS)

To facilitate the take-up of bursaries and their administration – the Higher Education Bursary and Scholarship Scheme (HEBSS) – was set up. The majority of HEIs (around 70 per cent) subscribe to this scheme. HEBSS is run by the Student Loans Company (SLC), a UK public sector organisation established to administer government-funded student loans and maintenance grants to students throughout the United Kingdom. Under the full HEBSS service, a student's eligibility for

bursaries/scholarships at their chosen HEI is automatically assessed when the student applies for government funded financial support. The aim of the service is to reduce the administrative burden on HEIs and ease the bursary application process for students.

### Bursary take-up issues

However, in 2006-07 and again in 2007-08 HEBSS encountered a data-sharing problem. In order for HEBSS (or in some cases a student's HEI) to process a student's bursary, the student had to agree to share with their HEI the financial information they provided the Student Loans Company when applying for a maintenance grant and/or student loan. Many students did not understand this. They did not tick the 'consent to share' financial information box on the student finance application form. As a result, students who were eligible for a bursary or scholarship but failed to tick the appropriate box did not automatically receive their bursary. Together, these factors resulted in a significant number of bursaries being unclaimed and a significant problem of bursary take-up across the sector in the first two years of operation.<sup>14</sup>

Following the first year, however, considerable efforts were made by institutions to increase bursary take-up. The take-up rate – that is, the number of bursary holders compared to the estimated number of eligible students – increased significantly, from 80 per cent in 2006-07 to 92 per cent in 2007-08. In addition, the student finance application form for 2008-09 onwards was changed so that students and sponsors had to tick a box to opt out of sharing their financial information rather than opt in. As a result, interim figures from the Student Loans Company in August 2009 indicated that 'consent to share' rates had increased to 96 per cent or more in 2008-09. So we can expect the take-up of bursaries for future years to be much higher from 2008-09 than in previous years.

<sup>12</sup> Department for Education and Skills (2004 October) Letter to Sir Martin Harris, Director of Fair Access to Higher Education from Charles Clarke. London: Department for Education and Skills, para 2.1.

<sup>13</sup> Office for Fair Access (2009) Access Agreement Monitoring: Outcomes for 2007-08 Bristol: Office for Fair Access. [http://www.offa.org.uk/wp-content/uploads/2009/08/monitoring-outcomes-07-08\\_offa-report-a-w.pdf](http://www.offa.org.uk/wp-content/uploads/2009/08/monitoring-outcomes-07-08_offa-report-a-w.pdf) Accessed 10/04/09

<sup>14</sup> Office for Fair Access (2009) op cit

## The purpose of bursaries

Bursaries and scholarships are not new. They have a very long history as an important source of financial support, especially for low-income students. However, their significance declined with the introduction of statutory maintenance grants in 1962. What is new about the bursaries and scholarships developed following the 2004 Higher Education Act is their function, scope, and potential. For the first time, they have been integrated into the statutory financial aid system – all HEIs charging the maximum tuition fees must offer a minimum bursary.

According to government documents<sup>15</sup>, bursaries are now seen as a policy device for:

- overcoming financial barriers to HE participation
- helping to reduce student debt and promote student choice
- minimising the impact of higher variable tuition fees on participation
- promoting widening participation by safeguarding access.

From these differing roles of bursaries and scholarships, it is apparent that they aim to help eliminate cost as a factor in student decision-making about university entry and their choice of university and course of study. The government wanted to ensure 'that higher education providers that decide to introduce tuition fees above the standard level [i.e. £1,200] do so without jeopardising the aim of widening participation.'<sup>16</sup> In terms of student financial support, the rise of bursaries presents a new era in England with potentially far-reaching consequences.

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<sup>15</sup> Callender, C (2010) Bursaries and Institutional Aid in Higher Education in England: Do they safeguard access and promote fair access? *Oxford Review of Education*, 36:1

<sup>16</sup> Department for Education and Skills (2004 October) *op cit* para 1.2

## The research context

### Existing studies show finance affects student decision-making

There is a growing body of research examining the complex social, economic, and cultural factors and inequalities underpinning students' educational 'choices', including their choice of HEI, subject, and qualification. Existing studies suggest that financial concerns play a major role in the decision-making process of whether to enter higher education, and where and what to study, especially for low-income students. They show that low-income students often limit their options of where and what to study because of the extra financial, geographical, and social barriers they perceive.<sup>17</sup>

The 2007-08 Student Income and Expenditure Survey<sup>18</sup> revealed that the availability of financial support had affected the HE decisions of 35% of students, with the majority saying they could not have studied without such support. Significantly, the most important source of financial support for these students, after a maintenance grant, was bursaries. These were considered more important in their decision-making about HE than loans for tuition fees or living costs. In addition, this survey found that around a third (35%) of students studying in England benefited from a bursary, receiving an average of £980 each. The proportion of beneficiaries increased to around a half (49%) of students from routine/manual social class backgrounds and to two-thirds (66%) among those who received a maintenance or special support

grant. Another recent study<sup>19</sup> of over 120,000 UCAS applicants applying to enter HE in 2006-07 found that around 12 per cent of students reported that their choice of HEI had been influenced by the course fees and the bursaries available, and that students from lower-income families were more likely than their wealthier peers to be influenced in this way.

Evidence from the US similarly suggests that students' decisions about which university to apply to and attend are influenced both by the availability and the generosity of bursaries and scholarships on offer. Those most affected tend to be low-income students who are more price sensitive than their wealthier peers. The greater the amount of bursary available, the greater its potential impact on student decision-making.<sup>20</sup>

### Little research on institutional bursaries post-2006

To date, however, very little research in England has examined in any depth the institutional bursaries and scholarships put in place since 2006, or investigated issues concerning bursary awareness and take-up and their impact on students from a variety of perspectives. A few studies have explored bursaries from an HEI perspective but they did not examine the impact of bursaries on student HE choices and decision-making.<sup>21</sup> One study found no relationship between the total amount of bursaries offered by HEIs and changes in application levels from 2005/6 to 2006/7. However, the conclusions from this research are highly questionable. The study only

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<sup>17</sup> E.g. Bates, P., Pollard, E., Usher, T., and Oakley, J (2009) *Who is heading for HE? Young People's Perceptions of, and Decisions about, Higher Education* BIS Research Paper 3, Department for Business, Innovation and Skills, London; Furlong, A. and Cartel, F (2009) *Higher Education and Social Justice* Open University Press/McGraw-Hill, Maidenhead; Reay, D., M. David and S.J. Ball. (2005) *Degrees of Choice: social class, race and gender in higher education*, Trentham Books, Stoke on Trent; Connor, H., S. Dawson, C. Tyers, J. Eccles, J. Regan and J. Aston. (2001) *Social Class and Higher Education: Issues Affecting Decisions on Participation by Lower Social Class Groups*. Research Report RR 267. Department for Education and Employment

<sup>18</sup> Johnson, C., Pollard, E., Hunt, W., Munro, M., and Hillage, J (2009) *Student Income and Expenditure Survey 2007-08 English Domiciled Students*, DIUS Research Report 09 05, Department for Innovation, Universities and Skills, London

<sup>19</sup> Purcell, K, Elias, P., Ellison, R., Atfield, G., Adam, D., and Livanos, I (2008) *Applying for Higher Education – the diversity of career choices, plans and expectations* Higher Education Career Services Unit and Warwick Institute for Employment Research, [http://www.hecsu.ac.uk/hecsu.rd/documents/Futuretrack\\_Report0408.pdf](http://www.hecsu.ac.uk/hecsu.rd/documents/Futuretrack_Report0408.pdf) Accessed 10/02/2009.

<sup>20</sup> Mundel, D. (2008) What do we know about the impact of grants to college students? In S. Baum, M. McPherson, and P. Steele. *The effectiveness of student aid policies: What the research tells us* The College Board New York. pp 9-38.

<sup>21</sup> Callender (2010) op cit; Temple, P., Farrant, J., & Shattock, M. (2005). *Variable fee arrangements: Baseline institutional case studies for the independent commission. Summary of research findings* London Institute of Education/Department for Education and Skills, London; Universities UK, (2007) *Variable tuition fees in England: Assessing their impact on students and higher education institutions*. Universities UK, London.

looked at data for the number of applications in aggregate. It did not examine the application rates among those student groups who were likely to benefit from bursaries, or who actually received bursaries. In some HEIs, only a very small proportion of students receive bursaries, while in other HEIs, bursaries are targeted at very specific student groups. Consequently, any changes in applications arising from bursaries would not necessarily show at the aggregate level.

From a student perspective, Davies et al<sup>22</sup> investigated in 2006/07 students in their final year at school. They concluded that most students did not look for information on bursaries and the majority did not take bursaries into account in their decisions about where to study their HE courses. While this study provides useful insights, it was conducted in bursaries' first year of existence. It was also restricted to students attending just 20 schools and colleges in the Midlands who may not be representative of all potential HE students within the region, or of the student body as a whole.<sup>23</sup>

It is against this background that OFFA commissioned research to investigate what HEIs have done to increase student awareness and take-up of bursaries, and to explore what more could be done to increase student, parent, and HE advisor awareness of bursaries, and thus improve take-up. The remit of this OFFA research is far wider than any other research conducted to date. It is the first comprehensive study to examine bursaries and scholarships from the perspective of HEIs, students, their parents, and HE advisors, and to assess their role in student decision-making.

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<sup>22</sup> Davies, P., Slack, K., Hughes, A., Mangan, J., and Vigurs, K. (2008) *Knowing Where to Study? Fees, Bursaries and Fair Access*, Institute for Educational Policy Research and Institute for Access Studies, Staffordshire University, UK

<sup>23</sup> For example, the study found that 56% of students who were considering studying in HE were planning or thinking about going to a local university. This figure is more than double the proportion living at home in the Midlands as revealed in a recent study – HEFCE (2009) *Patterns in Higher Education: Living at home* Issues Paper: June 2009/20, HEFCE, Bristol

# The research findings

## 1. The purpose and characteristics of bursaries offered by HEIs

In 2007-08, universities and colleges across England spent £192 million on bursaries and scholarships for low-income students, which represents just over a fifth of the additional income they received from charging higher variable tuition fees.<sup>24</sup>

### How HEIs have designed their bursaries and scholarships

The HEIs surveyed for OFFA were using their bursaries and scholarships as part of a competitive strategy to widen participation and to assist their institutional repositioning in an increasingly competitive HE marketplace. They had integrated their institutional financial support into their enrolment strategies as a recruitment tool: to alter the composition of their student body by attracting certain types of students; and to promote student choice.

Specifically, HEIs had designed their bursaries and scholarships:

- to promote widening participation
- to encourage more students to apply to their institution
- to attract local students
- to persuade more students to study hard-to-recruit subjects
- to enhance their league table rankings via merit-based awards and by improving student progression and completion rates
- to influence or alter student behaviour.

The design and characteristics of HEIs' bursaries are an important context for understanding issues of

bursary awareness and take-up, and their impact. As the 1997 Dearing Report reminds us 'The country should have a student support system which as far as possible..... is equitable and encourage[s] broadly based participation.....[and] is easy to understand, administratively efficient and cost-effective.'<sup>25</sup> Extensive and long-standing research into the awareness and take-up of income-related social security benefits provides some useful insights here. According to this research, the most frequently cited reasons for the low-take up of income-related benefits are ignorance, complexity, and stigma.<sup>26</sup> The research usefully distinguishes between design factors determining take-up (such as the ways in which a benefit is structured and its characteristics for instance, the eligibility criteria, the name used to describe the benefit, and the value and duration of benefits) and psychological factors – such as individuals' behaviour, their choices, beliefs, and attitudes. These would include whether students need the money, their awareness and knowledge of bursaries, whether they think they are eligible, the value of the bursary in meeting their needs, and feelings about the application process.<sup>27</sup> However, as Corden warns 'While these effects have traditionally been interpreted at the client level in terms of misunderstanding, or inability to make the intellectual links, they may be equally well be interpreted in terms of the characteristics of the benefit itself.'<sup>28</sup> In this section, we concentrate primarily on the design factors of bursaries while in later sections we focus more on the individual motives, intentions, and the decisions of students.

<sup>24</sup> Office for Fair Access (2009) *Annual Report and Accounts 2008/09* HC 500, Stationery Office, London <http://www.offa.org.uk/wp-content/uploads/2009/08/090611-office-for-fair-access-annual-report.pdf> Accessed 12/06/2009 Note OFFA does not record monies spent on students with assessed household incomes of above £48,330.

<sup>25</sup> National Committee into Higher Education (NCIHE) (1997) *Higher Education in the Learning Society*, Main Report. London: HMSO para 20.2

<sup>26</sup> For an overview, see Corden, A (1995) *Changing Perspectives on Benefit Take-up* HMSO, London. For a discussion of this literature in relation to bursaries see Mitton, L (2007) Means-tested higher education? The English bursary mess *Journal of Further and Higher Education* Vol 31:4 p373-383. I am grateful to Lavinia Mitton for these ideas developed in an earlier draft of the published paper.

<sup>27</sup> Kerr, S (1982) Deciding about Supplementary Pensions: a provisional model, *Journal of Social Policy* 11:4 pp 505-17

<sup>28</sup> Corden (1995) *op cit* p 15



## Variety of bursary schemes in place

There are hundreds of different bursary and scholarship schemes currently in place and considerable variation in their type, and size, as well as their eligibility criteria. This is because most HEIs have more than one bursary or scholarship scheme so that they can target them at specific student groups. For instance, two-thirds of the HEIs surveyed for OFFA had more than one bursary or scholarship scheme and a quarter had six or more schemes.

Nationally in 2008-09, 79% of the HEIs charging full tuition fees offered students in receipt of a full government-funded maintenance grant (i.e. from households with residual incomes of £25,000 or less) a bursary above the statutory level of £310. According to OFFA, these students obtained an average of £900 a year. However, the terms and conditions attached to receiving such bursaries and the amount awarded varied from one HEI to another, ranging from £310 to £3,150.<sup>29</sup> Students receiving a full grant attending a Russell Group university received twice as much on average as similar students at a post-1992 HEI (£1,500 compared with £700). Consequently, students with the same financial needs have access to very different amounts of financial support depending on where they study – reflecting the OFFA philosophy and the Government's apparent desire to create a market in higher education.

On top of these mandatory bursaries, 83% of HEIs offered bursaries to students beyond the full state-support threshold; and 94% of HEIs also provided other discretionary bursaries and scholarships with additional or separate eligibility criteria.

Of those HEIs offering discretionary bursaries, some 38 per cent had some sort of scholarship, most of which were not means-tested and were typically worth £1,000. So these non-means-tested scholarships were worth slightly more on average than financial support targeted exclusively at low-income students. In addition, 20% of HEIs had awards based on subject; 18% offered awards for achievement or

progression while at university; 13% had schemes for students progressing from partner schools; and 18% had awards targeted at care leavers.<sup>30</sup>

This targeting of bursary and scholarship schemes to specific student groups has resulted in a proliferation of different bursary and scholarship schemes each with their own eligibility criteria. This adds to the complexity of the student financial support system. Indeed, most HEIs surveyed identified the confusing and complicated nature of bursaries and scholarships as key reasons for students' lack of bursary awareness and take-up. In other words, they stressed the design of bursaries and scholarships rather than individual or psychological factors. Students, parents and HE advisors surveyed for OFFA agreed with HEIs. Well over half of the parents (55%) and HE advisors in schools and colleges (59%), along with 40% of students believed that 'Bursaries are too complex'.

## How the current complexity affects student behaviour

The effects of complexity on bursaries' impact are confirmed by the research on income-related social security benefits.<sup>31</sup> This shows that those schemes with a high density of rules and guidelines; complex rules; and vague criteria of entitlement are less effective and efficient. Dense and complex rules delay and deter applications and contribute to misinformation. Complex rules make it more difficult for students to assess if they are eligible for bursaries and scholarships. As the OFFA survey of students showed, those who did not think they were eligible for a bursary or scholarship were far less likely to apply for one than those who thought they qualified (19% compared with 81%). In addition, dense and complex rules and guidelines can also lead to vague criteria of entitlement because these rules have to be summarised and presented in a simplified form for promotional purposes. For instance, as Mitton points out some bursaries are advertised as being 'available to students from lower-income families'. Such an imprecise concept may prevent students identifying

<sup>29</sup> OFFA 2009 Annual Report *op cit*

<sup>30</sup> OFFA 2009 Annual Report *op cit* Note OFFA only records monies spent on students with assessed household incomes of above £48,330 or from under-represented groups.

<sup>31</sup> Van Oorschot, W. (1991) Non-take-up of social security benefits in Europe, *Journal of European Social Policy* 1:1, pp 15-30

themselves as being included. She continues 'The criteria may not really be vague: it is the need to promote the benefit in popular terms that produced vagueness.'<sup>32</sup>

### Language describing bursaries can be confusing

The language HEIs used to describe their institutional support also could be confusing. Traditionally, means-tested financial help is called bursaries while financial aid based on merit is called scholarships. Although most HEIs surveyed used these traditional terms to describe their institutional financial support, others did not. For example, some scholarships were awarded purely on merit, others purely on a student's income, and some on a combination of both. Students, parents, and HE advisors in schools and colleges surveyed for OFFA were often confused about the eligibility criteria associated with bursaries and scholarships because of the terminology used to describe them. For instance, 41% of HE advisors and around 20% of students and their parents thought bursaries were given to students based on their exam results. In addition, around two-thirds of parents and HE advisors and nearly a half of students (47%) believed 'It is difficult to understand the difference between bursaries and scholarships' while slightly less thought 'The language used to describe bursaries is confusing.'

The significance of the language HEIs use to describe bursaries and scholarships is illustrated by the fact that a more than a quarter of the students surveyed believed that 'to receive a bursary is stigmatising' while 40% thought that 'to receive a scholarship is stigmatising.' Such views were particularly likely to depress the impact of bursaries. They highlight the importance of disassociating bursaries from financial hardship as this may be off putting to some students.

### Take-up of social security benefits can teach us a lesson

Research on social security benefits suggests that stigma is usually related to income-related means-tested benefits and can lead to lower take-up rates. Specifically, ignorance of entitlement is far greater for means-tested benefits than for those which are not related to income.<sup>33</sup> Negative associations between bursaries and student hardship are likely to be unhelpful. It also means that we might expect more stigma associated with bursaries which are usually means-tested rather than with scholarships which are traditionally awarded on merit. However, the opposite was the case in this study. Moreover, US research<sup>34</sup> on student financial support suggests that high-ability students react more positively (and economically irrationally) to financial aid called a scholarship, especially if it is a named scholarship (e.g. the Rothschild Scholarship for XXX), rather than other descriptors of student financial support such as a grant. In other words, in the US research, students were more likely to accept a university place when they were offered a 'scholarship' rather than a grant even where the scholarship and the grant were worth the same amount of money because of the prestige associated with the receipt of a scholarship, and especially a named scholarship. So it is somewhat surprising that more students surveyed for OFFA thought that being awarded a scholarship was more stigmatising than being awarded a bursary. This may well reflect students' confusion about the difference between bursaries and scholarships as evidenced both in their attitudes and when asked to describe the type of students who typically receive these forms of financial support.

<sup>32</sup> Mitton, 2007 *op cit* and Mitton, 2006 unpublished paper *op cit*

<sup>33</sup> Bisset, L and Coussins, J (1982) *Badge of Poverty: a new look at the stigma attached to free school meals*, Poverty pamphlet, Child Poverty Action Group, London

<sup>34</sup> Avery, C. and Hoxby, C. (2003) *Do and Should Financial Aid Packages Affect Students' College* The National Bureau of Economic Research, Cambridge, MA



## Recommendations

- HEIs should consider allocating scholarships through a combination of merit and financial need/widening participation criteria, rather than purely on the basis of merit. Evidence suggests that scholarships disbursed solely on the basis of merit tend to benefit middle and higher income students who may not need additional financial support to attend university.
- HEIs should think about whether they could simplify the rules, regulations and eligibility governing the disbursement of their bursaries and scholarships. They should assess if they need a multiplicity of different bursary and scholarship schemes and consider rationalising the number, where appropriate. They should also review their promotional materials with a view to simplifying the descriptions of their bursary and scholarship provision.
- HEIs should use standard terminology to describe their institutional support so that means-tested financial help is called bursaries and financial aid based on merit is called scholarships. They also should avoid linking bursaries and scholarships to student hardship when describing their institutional support.

## 2. The impact of bursaries on student decision-making

As we have seen, HEIs are using their institutional financial support to attract certain types of students and to promote student choice. Three-quarters of the HEIs surveyed thought that their main bursary scheme had met its most important aim to a large, or to some, extent. However, to date few HEIs had undertaken a thorough evaluation of the impact of their bursaries and scholarships, despite the large sums of money invested in such schemes. While many of the HEIs surveyed had monitored their bursaries, very few had evaluated them. Consequently, HEIs were unable fully to assess the effectiveness of their provision and make informed decisions about any changes required.

What do students and others actually think about bursaries and scholarships? Are they affecting students' actual behaviour? Do bursaries and scholarships influence students' decision-making and choices, and does the amount of bursary offered make a difference? These are the questions we wanted to answer.

Students, their parents, and HE advisors in schools and colleges surveyed for OFFA who had heard of bursaries were questioned about the impact of the availability of bursaries. Specifically, they were asked whether they thought bursaries were important when students were deciding where to go to university. Some 28%<sup>35</sup> of students thought bursaries were important compared with the majority (58%) of parents and a third (32%) of HE advisors.

Whether students considered bursaries important when they were deciding where to go to university varied according to the individual's attitudes, behaviour, and characteristics (Figures 1 and 2). The most significant factors explaining the importance

that students attached to bursaries were related to the following:<sup>36</sup>

- concerns about the costs of going to university
- the amount of bursary that students expected to receive
- the type of HEI they attended.

### Bursaries have most impact on students anxious about the costs of going to university

Bursaries had the largest impact on the HE decisions of students who were anxious about the costs of going to university. These were the students most likely to say that bursaries were important when making their HE choices. Some 37% of students who said that the costs of university influenced their decision about whether or not to go to university a lot, thought bursaries were important compared with 22% who were unconcerned. In addition, 35% of students who were very worried about the costs of going to university and 33% who were very worried about building up debt while at university rated bursaries as significant in their decision-making.

Given these concerns, it is unsurprising that the poorest students (with residual family incomes of up to £5,000) viewed bursaries as more important than their wealthier peers (with residual family incomes of between £25,001-£60,005) (30% compared with 26%). However, these differences by household income disappeared when multivariate analysis was conducted, which controlled for student characteristics.<sup>37</sup> This suggests that students' perceptions of the costs were a more significant determinant of whether bursaries affected their decisions than their actual family income.

<sup>35</sup> 29% of all students surveyed for OFFA, irrespective of whether they had heard of bursaries, thought bursaries were important.

<sup>36</sup> Note any differences reported between students were statistically significant at 5 per cent level unless stated otherwise. In addition, all these factors remained significant in the multivariate analysis which controlled for student characteristics, unless stated otherwise.

<sup>37</sup> Differences in household incomes are associated with a range of student characteristics. For example, wealthier students are more likely than poorer students to go to Russell Group universities and so household income is highly correlated with the type of HEI a student attends. Multivariate analysis seeks to identify the influence of a characteristic/variable on a particular outcome whilst controlling for how other characteristics/variables influence the outcome. In essence, it compares two identical twins, with identical characteristics, but who differ only in one characteristic, in this particular example they differ in terms of household incomes.

## Size matters

Larger bursaries also had a greater impact on students' HE decisions than less generous ones (Figure 2). Some 31% of students expecting a bursary of £1,000 or more considered bursaries important when deciding which university to apply to compared to 26% of those expecting a bursary of £310 or less, and 18% of those expecting a bursary between £310 and £500.

## Russell Group students more likely to think bursaries important

Finally, the type of HEI that students attended also affected students' views on bursaries. Some 32% of students studying at a Russell Group university rated bursaries as important in their decision-making compared with 30% at other pre-1992 HEIs and 26% at 1994 universities and post-1992 HEIs. These differences could be related to the more generous bursaries that Russell Group universities offered their students. However, when the amount of bursary a student expected to receive was controlled for in multivariate analysis along with other student characteristics, students attending Russell Group universities were still significantly more likely than students at other types of HEIs to think that bursaries were important when deciding where to go to university. This was probably because students at Russell Group universities had better access to bursary information and were better informed – issues we will return to.

## How the amount of bursary on offer shapes student decision-making

So far, the analysis has concentrated on the impact of the availability of bursaries on student decision-making. Now we turn to the effect of the generosity of bursaries on their decisions. Students, their parents, and HE advisors in schools and colleges who had heard of bursaries and looked for information on bursaries were asked if the amount of bursary students could get influenced to which university

they applied. Their opinions varied considerably. A quarter of students<sup>38</sup> believed bursaries were influential compared with just 12 per cent of parents. However, nearly half (48%) of HE advisors rated the bursary amount as a significant factor in students' decision-making.

Again, the extent to which the amount of bursary on offer influenced students varied according to the students' attitudes, behaviour, and characteristics (Figures 3 and 4). Most of the factors that explain the differing importance students attach to bursaries in their HE decision-making also explain which students are most influenced by the value of bursaries. Specifically, the most significant factors are related to the following:<sup>39</sup>

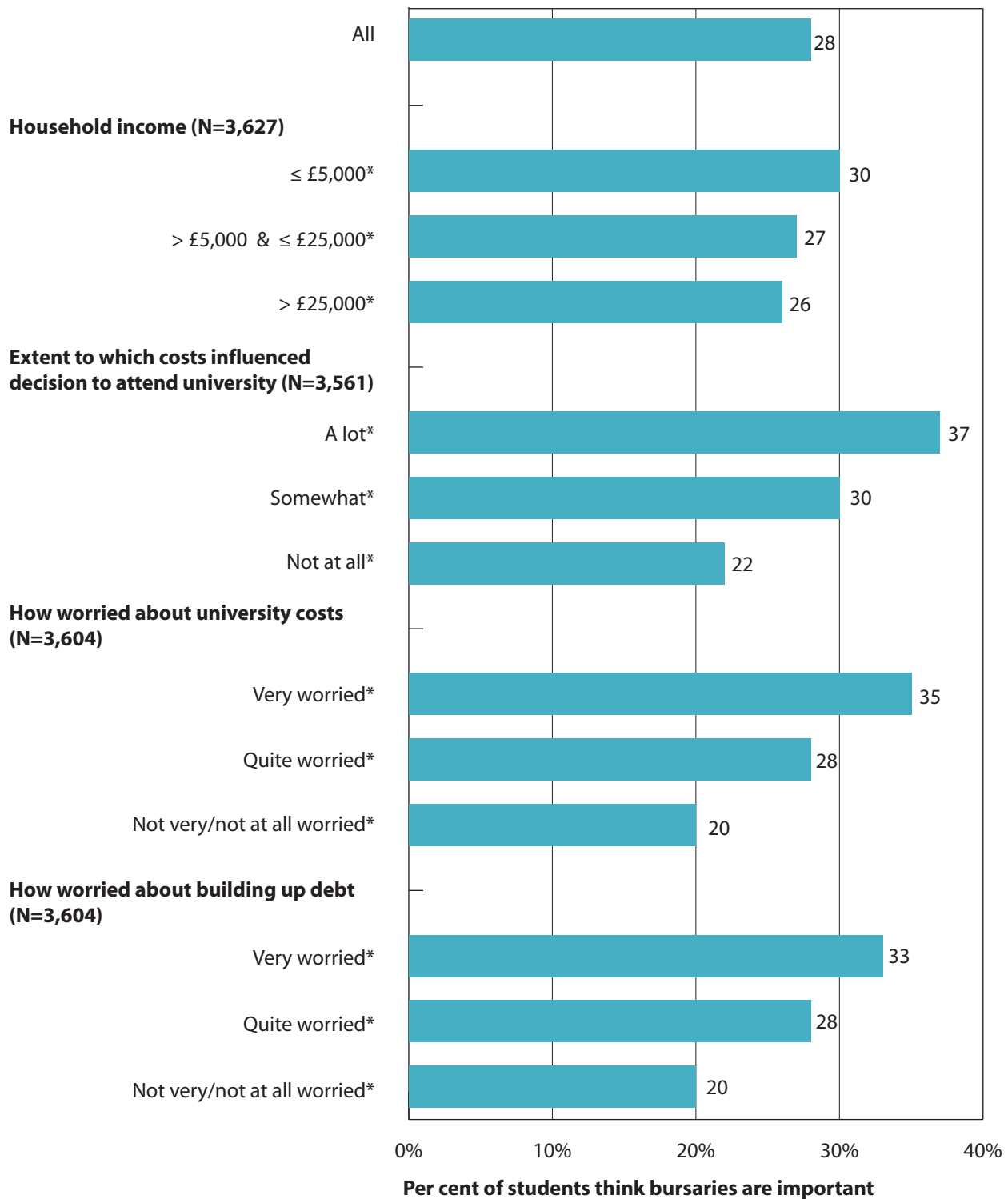
- concerns about the costs of going to university
- the amount of bursary students expected to receive
- when students looked for information on bursaries.

The students most affected were those concerned about the affordability and costs of university. More than twice as many students who said that university costs influenced their decision about attending university a lot compared with those not influenced at all, reported that the amount of bursary available shaped their HE decisions (39% compared with 15%). In addition, a third of students who were very worried about the costs of going to university (35%) and very worried about building up debt while at university (33%) said the university they applied to was affected by the bursary amount on offer. Although the value of the bursary had a bigger influence on the poorest students' decisions than their wealthier peers (28% compared with 17%), students' family income was not significant once other student characteristics were controlled for. Again, this suggests that students' perceptions of the cost had a larger impact than their actual family income.

<sup>38</sup> This represents 13% of all students surveyed for OFFA, irrespective of whether they had heard of bursaries and looked for information on bursaries.

<sup>39</sup> Note any differences reported between students were statistically significant at 5 per cent level unless stated otherwise. In addition, all these factors remained significant in the multivariate analysis which controlled for student characteristics, unless stated otherwise.

**Figure 1** Percentage of students who think bursaries are important in deciding where to go to university by household income and financial concerns

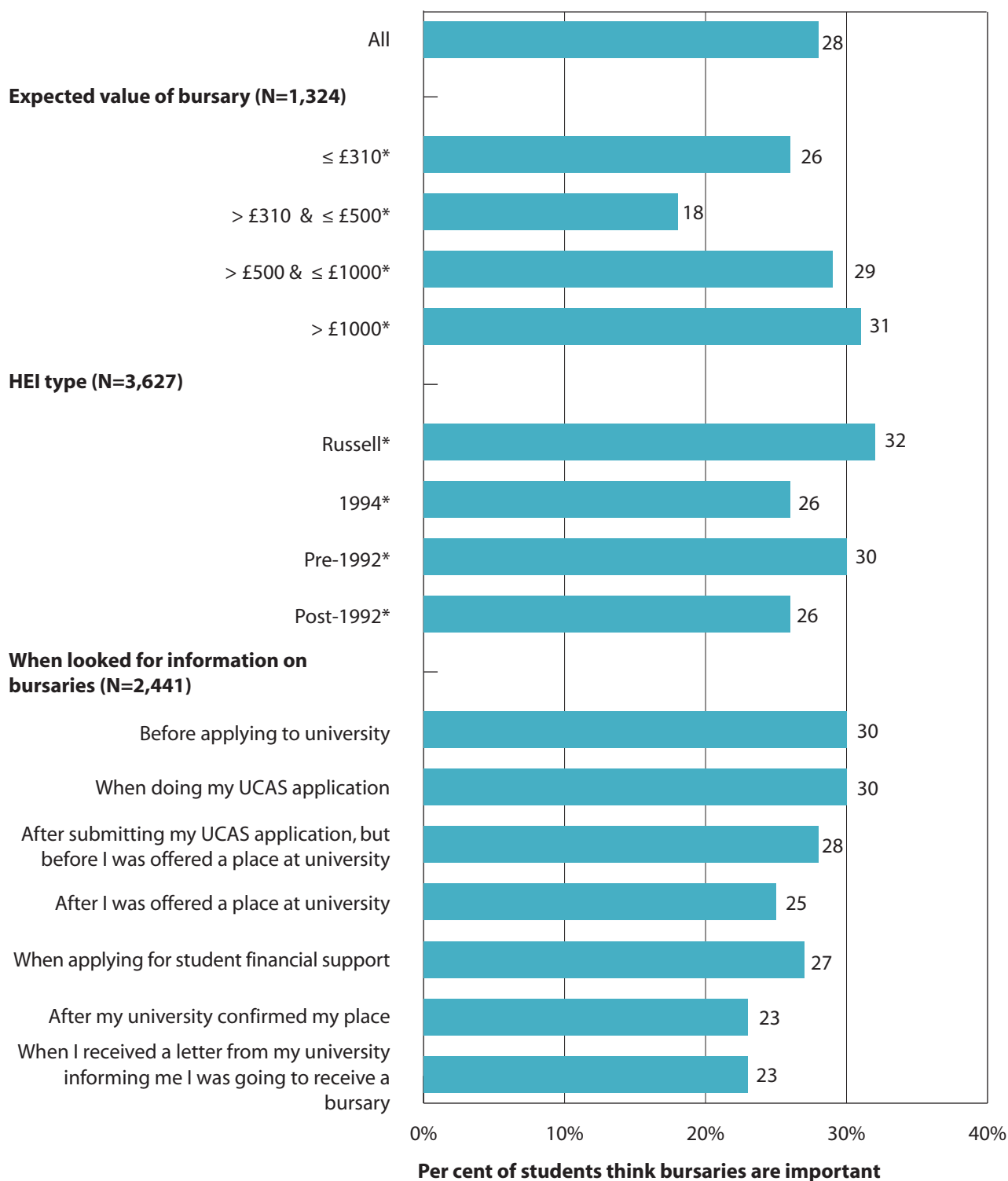


Base: Students who had heard of bursaries, excluding missing cases

Notes: \* indicates differences significant at 5 per cent level

Source: Birkbeck Survey of Students, 2008

**Figure 2** Percentage of students who think bursaries are important in deciding where to go to university by expected value of bursary, type of HEI attended, and when looked for bursary information



Base: Students who had heard of bursaries, excluding missing cases

Notes: \* indicates differences significant at 5 per cent level

Source: Birkbeck Survey of Students, 2008

## The importance of when students look for bursary information

In addition, when students looked for information on bursaries was important. If bursaries are to be an effective tool for HEIs in recruiting students and contribute to widening participation and fair access by affecting which HEIs students apply to, then students need to know about bursaries before finalising any decisions. Research<sup>40</sup> has identified two stages in students' decision-making that could be influenced by the availability of financial support. The first 'searching' stage is when students search out what courses are available and think about to which HEIs they want to apply. This equates to the period of time before a student submits their Universities and Colleges Admissions Service (UCAS) application form detailing the five HEIs they wish to apply to. The second stage of decision-making – the 'choice' stage – takes place once students have been offered a place at the universities they applied to. Students then have to choose which one university offer they will accept, and which one will be an insurance place in case they fail to obtain the grades required for their first choice.

The OFFA student survey clearly showed that the earlier students looked for bursary information, the greater the impact of bursaries on their decision-making. Students who looked for bursary information before they submitted their UCAS application form (32%) were twice as likely as students who looked for such information after their place at university was confirmed (16%) to be influenced by the amount of bursary in their HEI selection. Consequently, bursaries had a greater impact on the 'decision' stage of the application process than at the 'choice' stage.

Finally, students anticipated that the amount of bursary would have other positive effects on their behaviour while at university on top of influencing their choice of HEI. Most often they thought they would be able to participate in more extra-curricular or social activities. They also thought they would not

need to get a paid job which could have a negative impact on their studies<sup>41</sup> and that they would be able to buy course materials.

All the evidence from this study shows that students' decision-making about whether to enter higher education, and where and what to study are affected by both the availability and generosity of institutional financial support. Overall, the availability of a bursary influenced slightly more students in their HE choices than the generosity of a bursary (28% compared with 24%). HE advisors in schools and colleges, however, believed that the reverse was the case. Bursaries and scholarships, therefore, were an effective recruitment tool for a significant minority of students and did promote student choice. Consequently, institutional support was fulfilling one of its prime aims by acting as a financial incentive in students' HE decision-making.

## Bursaries meet many of their policy objectives

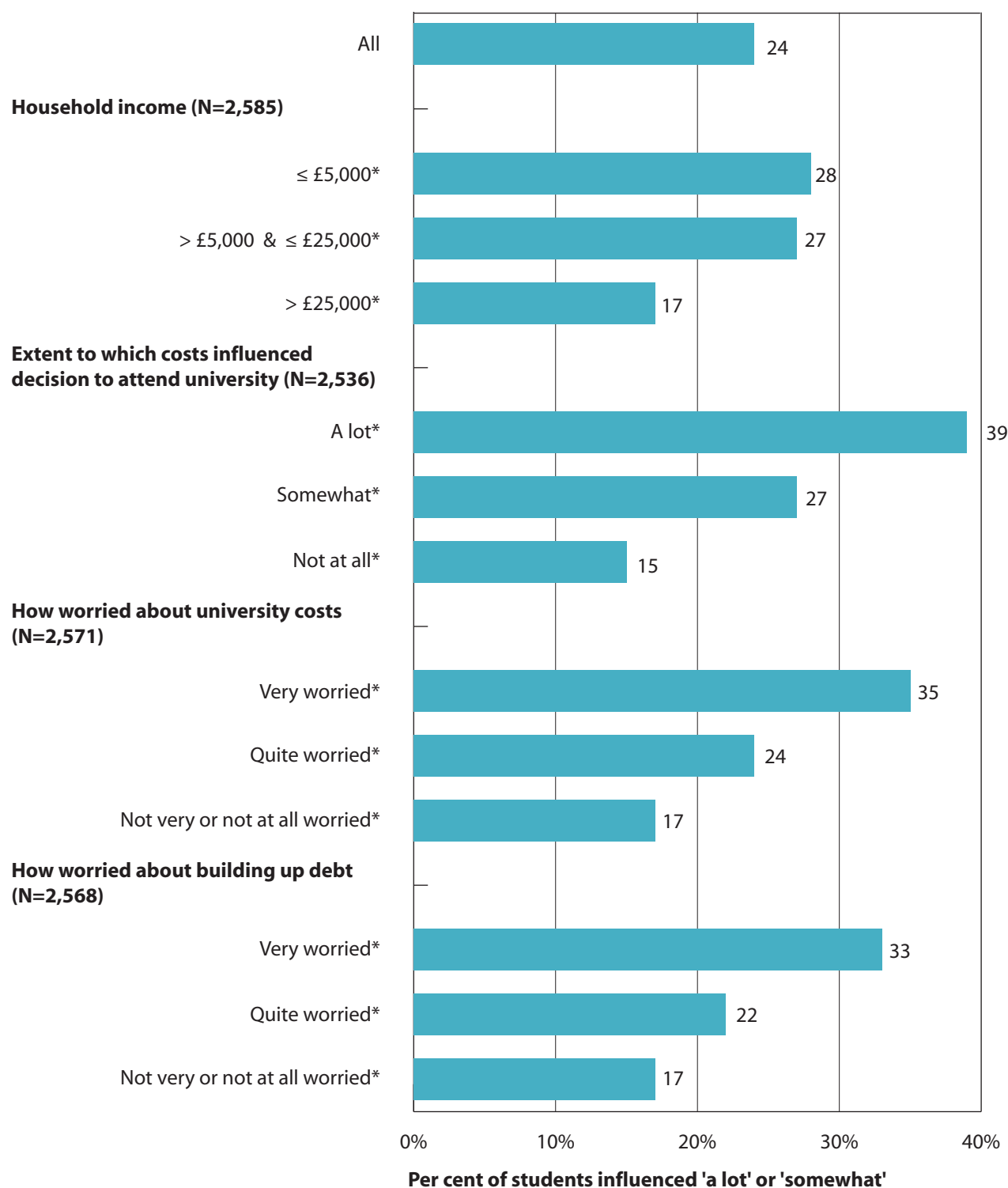
Bursaries and scholarships also helped to overcome financial barriers to HE participation, especially the most generous schemes. So, institutional aid succeeded in meeting another of its key policy objectives. Bursaries and scholarships were particularly valuable to students whose HE choices were constrained by their financial circumstances. These were the most price sensitive students who were concerned about the affordability and costs of going to university, and who tried to maximise the amount of bursary money they could receive to offset these costs. Bursaries and scholarships encouraged these students to feel that university was affordable by partly allaying some of their worries about the costs of going to university and building up debt.

Bursaries and scholarships also helped to widen participation and support fair access, thus fulfilling another of their policy objectives. They successfully encouraged high achieving lower-income students to opt for higher status HEIs. Specifically, students at

<sup>40</sup> Hossler, D., Schmit, J. & Vesper, N. (1998). *Going to college: Social, economic and educational factors' influence on decisions students make*. Baltimore: Johns Hopkins University Press.

<sup>41</sup> Callender, C (2008) *The Impact of Term-time Employment on Higher Education Students' Academic Attainment and Achievement* Journal of Education Policy Vol 23, Issue 4, pp 359–377.

**Figure 3** Percentage of students who reported that the amount of bursary they could receive influenced to which university they applied by household income and financial concerns

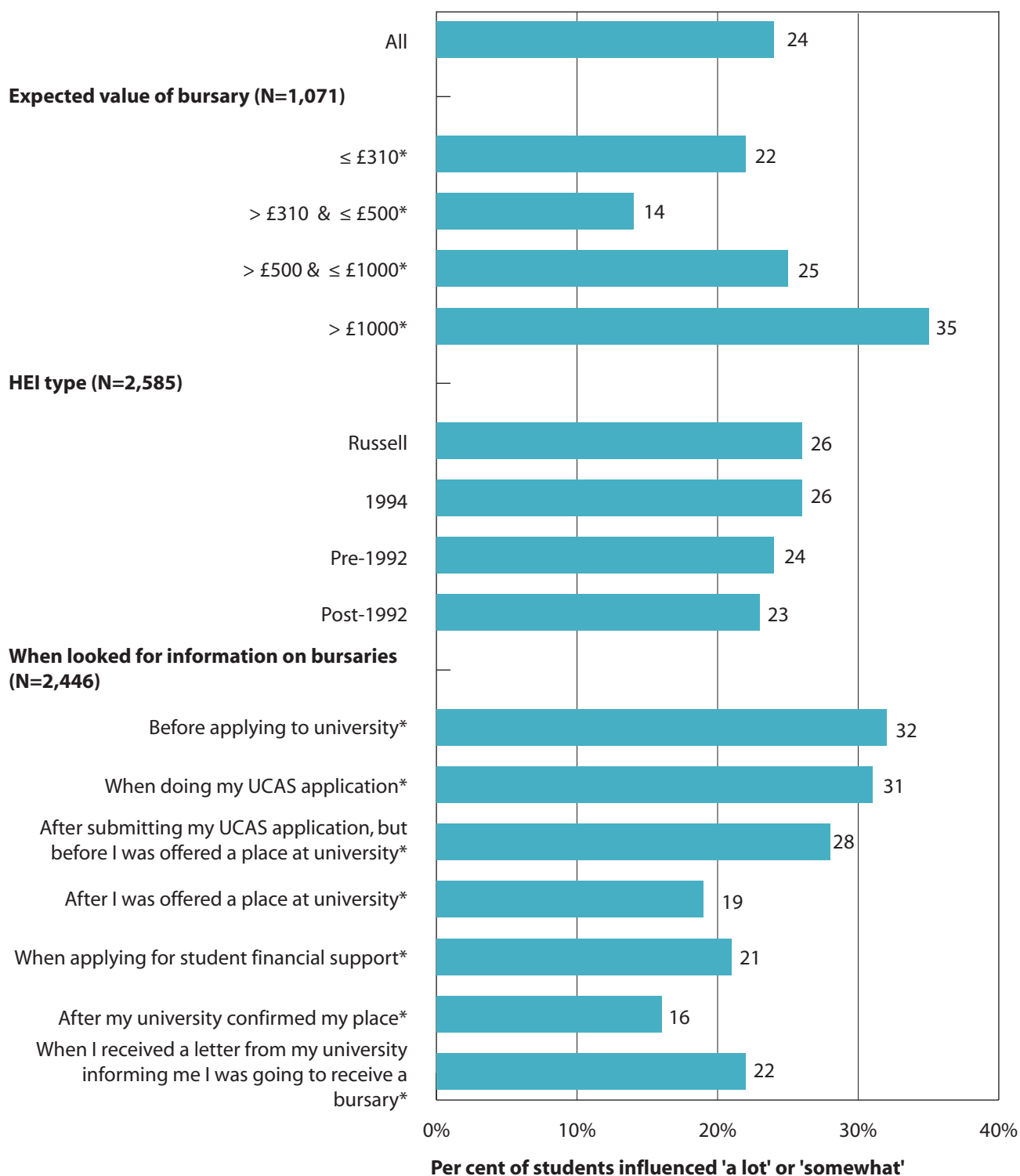


Base: Students who had heard of bursaries and looked for information on bursaries

Notes: \* indicates differences significant at 5 per cent level

Source: Birkbeck Survey of Students, 2008

**Figure 4** Percentage of students who reported that the amount of bursary they could receive influenced to which university they applied by expected value of bursary, type of HEI attended, and when looked for bursary information



Base: Students who had heard of bursaries and looked for information on bursaries

Notes: \* indicates differences significant at 5 per cent level

Source: Birkbeck Survey of Students, 2008



Russell Group universities were the most likely to think bursaries were important when deciding which university to go to compared with students attending other types of HEIs, most probably because they were better informed than other students.

In addition, bursaries and scholarships had a much greater impact on student decision-making if they had looked for information on bursaries at the 'search' stage of the university and college application process when they were deciding to which HEIs to apply, than at the 'choice' stage when they were choosing their firm offer and insurance offer.

### Recommendations

- HEIs should evaluate, rather than just monitor, the impact of their bursaries and scholarships and the effectiveness of actions to promote bursary awareness and take-up so that they can adjust their strategies, if need be.
- HEIs should give further consideration to the amount of bursary they offer, and how it is targeted, to ensure that their bursary scheme has the desired impact.
- To maximise the impact of bursaries, HEIs, in partnership with schools and colleges, should give greater emphasis to bursary awareness activities for potential students at the pre-entry stage, before they submit their UCAS application form, as well as at the application, offer, and registration stages.

The overall success and efficiency of bursaries and scholarships to date, however, have been limited by students', parents', and HE advisors' lack of awareness of bursaries, their lack of knowledge and understanding of bursaries, and their information seeking behaviour, especially the timing of their information search, as well as the scope of information provided by HEIs and others. It is to these psychological issues and individual factors impacting on take-up rather than design factors that we now turn.

### 3. Awareness of bursaries

The first factor weakening the overall impact of bursaries to date is a lack of bursary awareness. Knowledge of the existence of bursaries is fundamental to their effectiveness. Despite HEIs' substantial efforts to promote bursaries and scholarships, a quarter of the students and their parents surveyed as part of this OFFA study had not heard of bursaries even though all the students were just about to enter higher education. The HEIs surveyed most often attributed students' lack of awareness to the complex and confusing nature of the student financial system while HE advisors attributed it to a lack of bursary information. So here we see the way that design factors interact with and feed into psychological factors affecting awareness.

In addition, one in ten HE advisors in schools and colleges had not heard of bursaries despite their key role in informing students about student financial support.

Students with financial needs may not be making fully informed decisions because of their lack of awareness. The two student groups least likely to have heard of bursaries were black students (31%) and those with family incomes of £25,000 and over (31%). This latter group was less likely to qualify for a bursary. However, the black students surveyed were the student group most likely to come from the poorest households. They were more worried about costs of going to university and about building up debt while at university than any other student group. In addition, they were more likely than other students to have adopted a range of strategies to minimise the costs of going to university. So just because students were unaware of bursaries did not mean they did not qualify for institutional financial support or need the financial support, or that they would have been unreceptive to the bursaries offered.

#### Impact of HEBSS subscription on student awareness

The type of HEI that students attended also affected their awareness of bursaries. Students studying at HEIs subscribing to the full Higher Education Bursary and Scholarship Scheme (HEBSS) service (74%) were

less aware of bursaries than those attending universities subscribing to the partial HEBSS service (84%) or no service at all (76%). This was the case even after student characteristics were controlled for, and so can not be attributed, for instance to the type of students attending HEBSS HEIs. This suggests that although full HEBSS HEIs have very high bursary take-up rates, they may have become complacent about disseminating bursary information to their potential students. They may also have been lulled into a false sense of security about bursary awareness because their HEBSS membership means qualifying students are automatically paid that institution's bursary without having to apply for one.

In addition, students studying at both post-1992 (72%) and pre-1992 HEIs (73%) were less aware of bursaries compared with students attending Russell Group (84%) and 1994 universities (81%). Again, this was the case once students' socio-economic characteristics were controlled for in the analysis. So, this finding can not be explained by any differences in the family background of students studying at these varying types of HEIs. This finding, along with others in this study, suggests that Russell Group universities were better than other HEIs at providing potential students with information on bursaries and at marketing their bursaries.

#### Recommendations

- HEIs and other stakeholders need to evaluate their current strategies for making potential students aware of bursaries and scholarships, and where appropriate, do much more to promote them.
- HEIs that subscribe to the full Higher Education Bursary and Scholarship Scheme (HEBSS) service should strengthen their efforts to increase bursary awareness by providing prospective students with information on bursaries.

## 4. Knowledge and understanding of bursaries

The second factor dampening the overall impact of bursaries on students' choice of HEI was their knowledge and understanding of institutional financial support – another individual factor impacting on effectiveness. Students, parents, and HE advisors in schools and colleges surveyed for OFFA reported that they were far less informed about bursaries and scholarships compared with sources of government-funded student financial support, such as student loans and grants. Students rated themselves less informed about institutional support than either their parents or HE advisors in schools and colleges. In fact, the majority of students said they were ill-informed about bursaries (53%) and scholarships (67%), especially students in receipt of a partial grant. In contrast, 41% of parents identified themselves as being poorly informed about bursaries and 42% about scholarships while 21% of HE advisors thought they were ill-informed about bursaries and 29% about scholarships.

Some commentators argue that the main reason students and others are poorly informed about bursaries, or unaware of them, is because they are new. However, in this study, there seems only a limited correlation between the length of time financial support has been in place and the degree to which students are informed about the support in question. For instance, variable tuition fees, loans for fees, and bursaries were all first introduced in 2006. Yet, only 8% of students reported they were ill-informed about tuition fees and 12% about loans for fees. Therefore, the argument that bursaries are 'new' can not fully explain the differences in students' knowledge. Nor does a student's eligibility for support fully explain how well informed they are. All the students surveyed for OFFA were eligible for both loans and grants. Yet, students were better informed about loans, especially loans for tuition fees, than grants (20% ill informed).

### National marketing campaigns focus on fees, loans and grants

These differences in knowledge may be because far more media attention has been devoted to rising

tuition fees, mounting student debt, and the increasing costs of higher education – all potentially negative headline grabbing messages. By contrast, the positive development of bursaries and scholarships has gained relatively little attention. In addition, advertising campaigns about student support sponsored by the government and other stakeholders focus on fees, loans, and grants and far less on bursaries and scholarships. Furthermore, students and their advisors are familiar with the concept of fees and of loans. Bursaries, however, are completely new on the student funding landscape for the vast majority of current students.

### HEIs tend to over-estimate how much students know about bursaries

While the HEIs surveyed for OFFA recognised that students, parents, and HE advisors were less informed about their institutional support compared with other government funded help, they still over-estimated students' knowledge of bursaries and scholarships. Some 43% of HEIs thought students were poorly informed about bursaries and 41% believed students were ill informed about scholarships. However, as we have seen, 53% of students reckoned they were poorly informed about bursaries and 67% about scholarships. So HEIs seem not fully in touch with their prime audience. There is a danger that HEIs may make assumptions about the level of students' bursary knowledge and so provide insufficient information about bursaries.

One consequence of these poor levels of knowledge and the numerous different types of bursaries on offer was that 65% of students surveyed for OFFA, 71% of their parents, and 70% of HE advisors thought *'It is difficult to understand who can get a bursary.'* It is here that we see interconnection between the design of bursaries and individual factors in determining the overall effectiveness of bursaries. The complex design of bursaries and the perceived absence of information alongside individuals' low levels of knowledge of bursaries combine to limit the impact of bursaries.

<sup>42</sup> The participation rates were based on the proportion of pupils in schools in Year 13 entering higher education in the previous year while for FE colleges the participation rate was calculated based on the proportion of students taking A Levels or equivalent who entered higher education the previous year.

Tellingly, HE advisors in schools and colleges with student HE participation rates<sup>42</sup> of under 75 per cent were more likely than their colleagues in institutions with higher participation rates to believe it was difficult to understand who was eligible for a bursary (71% compared with 61%). In other words, advisors in schools and colleges working with students most likely to benefit from bursaries particularly struggled to understand who qualified. This was associated with their access to information and the clarity and amount of bursary information provided by HEIs. While HEIs may think they provide enough information which is clear, this key audience think otherwise – an issue we will return to shortly.

### Students in receipt of a partial maintenance grant are most confused about eligibility

Students with residual family incomes of £25,000 and over a year (74%) were the student group most unclear about who qualified for a bursary, and far more so than students from mid-income (£5,000-£25,000) or low-income households (under £5,000) (59% and 64% respectively). These higher income students received a partial government-funded maintenance grant but were ineligible for a mandatory bursary of £310. Instead, they depended exclusively on discretionary bursaries and scholarships. This discretionary support is not a uniform entitlement unlike government-funded student support and mandatory bursaries, and so does not have standardised and fixed eligibility criteria across HEIs.

According to OFFA data, in 2008-09 only about 18% of HEIs in England charging full fees offered a bursary up to the partial support threshold of £60,005 – the upper household income threshold for receipt of a partial government grant. So most HEIs no longer offered bursaries to all students receiving a partial government grant, a change that came about when the government increased the threshold for a partial grant in 2008-09.<sup>43</sup> In addition, as we have seen, many HEIs have a number of bursary and scholarship schemes, each with different eligibility criteria for a specific amount. This makes it difficult for individual HEIs, and the HE sector as a whole, to present and

communicate a clear message about who is eligible for a bursary, and may lead to over-simplified messages which are insufficiently explicit or too vague for students to identify with.

The evidence shows that students from families with incomes above £25,000 were particularly unclear about their bursary eligibility and wanted more information about them. Their confusion is unsurprising given that the discretionary bursaries and scholarships aimed at this income group were more complex and less transparent than the mandatory bursaries provided to students in receipt of full grants. In the design of any bursary scheme there is a trade-off between targeting student financial help and simplicity. Targeted schemes are sensitive to individual circumstances and are devised to reflect differing circumstances. Both the design of such targeted schemes alongside the multiplicity of targeted schemes add to the complexity and risk confusing potential beneficiaries. Non-targeted schemes are simpler but can be less cost-effective because of their broader based eligibility criteria. The challenge for HEIs is to ensure that the bursaries and scholarships they offer, and the information they provide about them, are as clear and user-friendly as possible.

### Large gaps in students' knowledge of bursaries

The problems that students and others experience in understanding who qualifies for a bursary are largely related to the promotion and design of bursaries and gaps in individuals' factual knowledge of bursaries. These gaps are substantial, especially among students and their parents. Students, parents, and HE advisors who had heard of bursaries were asked to identify whether a particular statement about bursaries was true or false, or if they did not know the answer. Figure 5 shows the proportion who either gave the wrong answer to a statement, irrespective of whether the statement was true or false, or who did not know the answer. In this way, we can gauge their confusion and ignorance of bursaries, as well as what they were most knowledgeable about. Figure 5

<sup>43</sup> Office for Fair Access (2009) *Annual Report and Accounts 2008/09* HC 500, Stationery Office, London <http://www.offa.org.uk/wp-content/uploads/2009/08/090611-office-for-fair-access-annual-report.pdf> Accessed 12/06/2009. Most HEIs no longer offer bursaries to all students receiving a partial government grant as they did up to 2007/8 when the upper income threshold for receipt of a partial government grant was £38,330. Consequently, the household income thresholds for the receipt of bursaries no longer correspond to current state support thresholds. Note also the upper threshold for the receipt of a partial grant has been reduced to £50,020 in 2009/10.

therefore pinpoints the areas of misinformation and ignorance HEIs need to address in their bursary information and marketing campaigns.

### HE advisors better informed than students or parents

HE advisors in schools and colleges generally had higher levels of detailed knowledge of bursaries than either students or their parents. Even so, a substantial minority did not know or were muddled about various aspects of bursaries. Particularly noteworthy is the large proportion who did not know about the value of bursaries and how much they were worth. This is despite the fact that, as we have seen, most HE advisors believed that the value of bursaries influenced the universities to which students applied. Clearly HE advisors realise the importance of the amount of bursaries in shaping students' HE choices, but 45% of them did not know the value of the average bursary and so could not pass this information on to their students, and potentially influence their students' HE decisions.

Students' knowledge of bursaries tended to mirror their parents', although parents were more ignorant and misinformed than their children. Clearly, most students and their parents were muddled about who could get a bursary. Particularly stark were the three-quarters of students and two-thirds of parents who did not realise or understand HEIs' obligation to award bursaries of at least £310 to students in receipt of a full grant. This could be because, as we have seen, most universities awarded such students more than the minimum of £310. Indeed, the average bursary the students surveyed hoped to receive in their first year of study was £1,075. However, neither students nor parents understood the mandatory right to a minimum bursary.

### Many think bursaries are a one-off payment

Two other gaps in students' knowledge stand out. First, well over half of all students and their parents did not appreciate that bursaries were not one-off payments received only by students in their first year. Such a misapprehension may depress bursary take-up among students in their subsequent years of study. This helps explain why some of the case study HEIs

reported lower bursary take-up rates among second year students compared to when these students were in their first year. Also some second year students did not realise that, as with state support, they had to apply for their bursary every year. The belief that bursaries are a one-off payment may affect students' perceptions of the value of bursaries and the net costs of HE and so reduce the potential impact of bursaries on students' choice of HEI.

Secondly, the majority of students (56%) (and 39% of their parents) did not appreciate that bursaries were paid for by HEIs. Arguably, HEIs are missing out on a very useful way to show students they are investing in them, promote themselves and achieve good public relations.

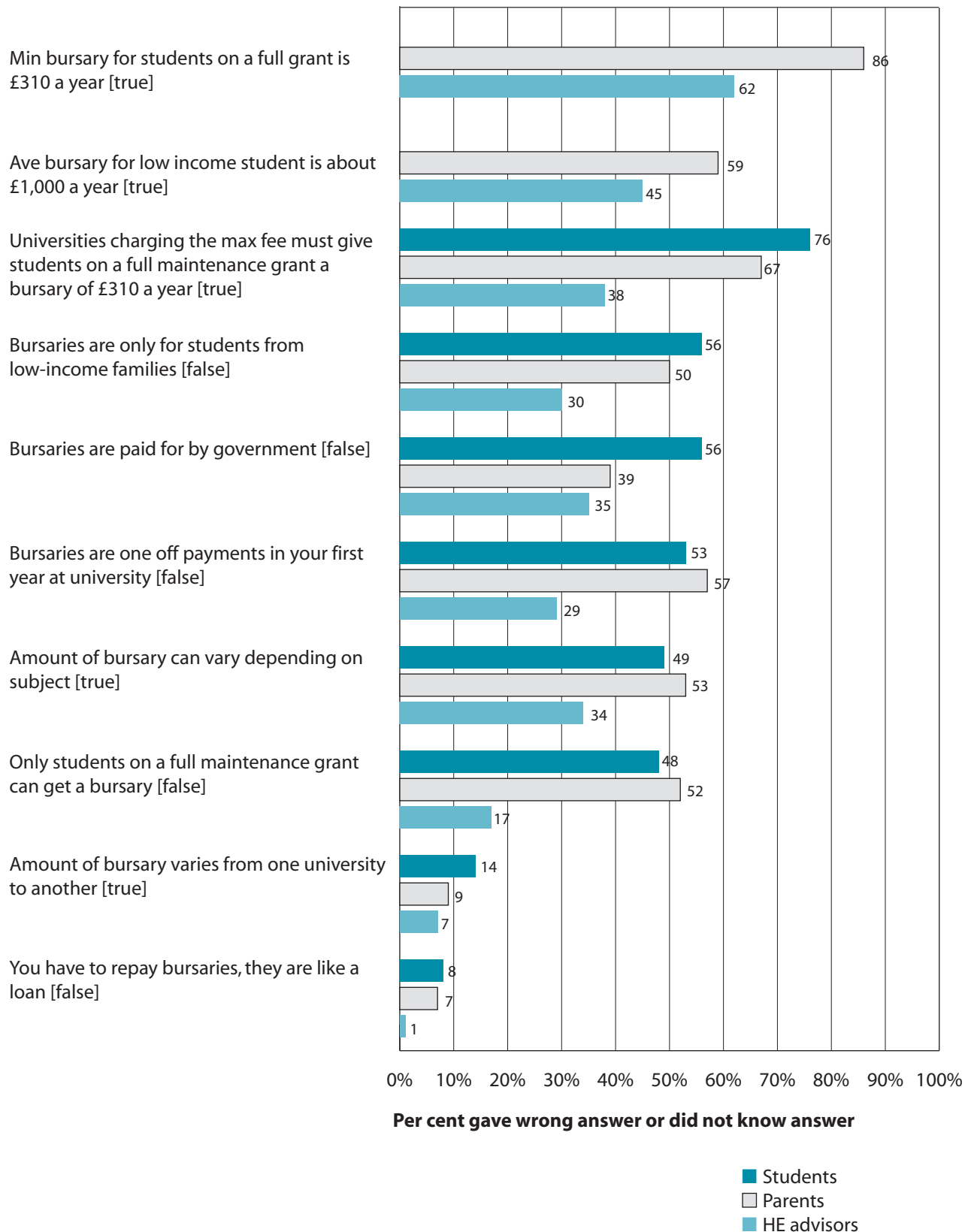
The above analysis is helpful in identifying what students did not know about bursaries. However, if HEIs and other stakeholders want to plug these gaps in students' understanding of bursaries, they need to know why some students are more knowledgeable than others, and which student groups are most confused or ignorant about bursaries. With this information, HEIs and other stakeholders can target their bursary information to improve awareness and take-up, for example by sending emails to particular student groups.

### Not surprisingly, students who look for information are better informed

Several factors explain the differences in students' knowledge and understanding of bursaries.<sup>44</sup> First, and most important of all, was whether students had looked for information about bursaries. Those who had not sought out information were far more likely than those that had, to be confused or uninformed about bursaries. The second important factor was the type of HEI students attended. Again, Russell Group universities stood out. Students studying at other types of HEIs were less informed than those at Russell Group universities. Fewer of them had accessed, or had access to, good quality advice, guidance, and information about bursaries. The third factor explaining students' knowledge and understanding of bursaries was the source of bursary information which they found the most useful.

<sup>44</sup> Students were given a score out of 8 for each statement answered correctly, incorrectly or where they said they did not know.

**Figure 5** Students', parents', and HE advisors' knowledge of bursaries – what they did not know about or were confused about



Base: Students N=3,529; Parents N=83; HE advisors N=133

Source: Birkbeck Surveys of Students, Parents and HE Advisors, 2008



Students who rated their school, college or personal networks as the most useful information source were more likely to misunderstand or be ignorant of bursaries than those who rated HEIs as the most helpful source. This suggests that HEIs need to actively engage with HE advisors in schools and colleges to ensure that advisors have a much better knowledge and understanding of bursaries. Finally, students aged 25 and over along with black students tended to be less knowledgeable and more confused or ignorant of bursaries than other student groups. The challenge now for HEIs and other stakeholders is to fill these gaps in students', parents' and HE advisors' awareness, knowledge and understanding of bursaries by providing clear, well-targeted information and better engagement.

- HEIs should ensure that the information they provide about bursaries clearly states that bursaries are payable for the duration of their course, where this is the case, and monitor the take-up rates of their bursaries for students in all years of study.
- HEIs need to promote the advantages of bursaries and ensure they take credit for, and gain the full PR value of, bursaries.

## Recommendations

- HEIs need to do more to improve how well-informed students, their parents, and HE advisors in schools and colleges are about the institutional support they offer.
- Marketing campaigns and other information sources on higher education and student financial support funded by the government and other stakeholders should consider how they can include clearer, more prominent information about bursaries.
- HEIs need to re-evaluate their students' and potential students' levels of knowledge of bursaries and scholarships, using the findings of this report, student unions and their own student focus groups where appropriate. They should not make any assumptions about students' knowledge.
- HEIs need to ensure they provide clearer information on who qualifies for a bursary, especially for students in receipt of a partial government maintenance grant. Where appropriate, they should test this information with students and potential students to ensure that it is sufficiently clear, and that there are no gaps.

## 5. Information on bursaries and HEIs' strategies to increase bursary awareness

The third factor limiting the overall impact of bursaries on students' choice of HEI is the amount and quality of bursary information alongside the information seeking behaviour of students, their parents, and HE advisors in schools and colleges. From the discussion so far, it is clear that access to high quality and well presented information on bursaries and scholarships is essential to students', parents', and HE advisors' understanding and knowledge of bursaries and the effectiveness of bursaries in influencing student choice. As this and other research shows, HE advisors and parents play a crucial role both in students' HE decision-making and in improving students' awareness, knowledge and take-up of institutional financial support. For example, half of the parents surveyed for OFFA had encouraged their child to look for information on bursaries, and most had looked for bursary information with their children.

The task of ensuring all are well-informed about bursaries lies firmly with HEIs and other key stakeholders. So what information do HEIs provide, and what other actions have they taken to increase bursary awareness? Do students and others look at the information provided by HEIs, and what do they think about this information?

### Most HEIs' information is not targeted at pre-UCAS application period

All the HEIs surveyed for OFFA produced information about the different types of government and non-government funded financial support available to full-time undergraduate students including details of their own institutional support. In addition, the majority (88%) produced stand-alone material that focuses exclusively on their bursaries and scholarships and that covers all the key information students required. HEIs most often created this material for their websites and prospectuses, for use in presentations and talks to students and their parents, and as printed booklets or pamphlets which they disseminated widely, especially at open days and other recruitment and outreach events. All HEIs targeted their stand-alone bursary information at students, and the vast majority (91%) distributed it

at all stages in the university application process, rather than concentrating on the pre-UCAS application period – the stage at which information on bursaries is most likely to influence a student's decision-making.

Apart from distributing information on bursaries and scholarships, around two-thirds of HEIs surveyed had taken additional actions to promote their bursaries amongst students. Their diverse strategies most frequently included: contacting students directly about bursaries; distributing information at open days and other events; conducting marketing campaigns; and advertising their institutional support on their website or elsewhere in their institution. About half the HEIs surveyed focused their efforts on students once they had started their course and were attending university, while the remainder did not target them at any particular stage in the university application process. So it is questionable whether most of these awareness raising strategies would have any impact on which HEI students applied to or their actual choice of HEI.

In part, the focus on existing students is likely to have been a result of work to improve the take-up of bursaries among students, following lower than expected take-up figures in the first two years of access agreements. Looking forward, however, OFFA reports that considerable efforts have been made by institutions to increase bursary take-up, and the take-up of bursaries for future years is expected to be much higher. This means that the focus of institutions' attention can now shift to increasing bursary awareness at these earlier stages.

### HEIs need to target information at parents and advisors as well as students

While all HEIs were concerned about improving students' bursary awareness, many ignored the vital role parents and HE advisors in schools and colleges could play. Only three out of five HEIs with stand-alone information on their bursaries and scholarships targeted this material at parents, and under half targeted it at HE advisors in schools and colleges. In addition, just two in five HEIs that had taken additional actions to raise bursary awareness, focused their



activities on parents while three in five aimed them at HE advisors in schools and colleges. So HEIs need to be far more proactive in promoting parents' and HE advisors' awareness of bursaries and scholarships.

## Looking for information on bursaries

Did all students, parents, and HE advisors in schools and colleges surveyed for OFFA seek out the information that HEIs produced on bursaries? Some 30% of students who had heard of bursaries had not searched for any information primarily because they did not know where to look. Neither did nearly a half of their parents, mostly because they had left this task to their son or daughter. These individual factors clearly affected bursary awareness.

### Students in receipt of a partial maintenance grant more likely not to look for bursary information

Some students were more likely than others to have sought bursary information from HEIs or elsewhere. Particularly striking was the importance of a student's family income and the type of HEI students attended. Students with family incomes of £25,000 and over were more likely than those from poorer backgrounds not to have looked for information (38% compared with 26%), primarily because they did not think they qualified for a bursary. Students at post-1992 HEIs (33%) also were more likely not to have found out about bursaries than those studying at other types of HEIs, especially students at Russell Group universities (25%). More students attending HEIs subscribing to the full HEBSS service (31%) had not searched for information compared with their peers at information-only HEBSS HEIs (27%) and at HEIs not subscribing to the service (23%). In addition, students who had taken their HE entry qualification at a Further Education College (32%) were more likely not to have looked for information than students who had taken their qualification at a state (27%) or independent school (25%). All these differences were significant even after students' characteristics were controlled for in the multivariate analysis. They highlight students' very different information-seeking behaviour regarding bursary information and some of the institutional factors shaping this, and students' access to information.

### HE advisors in schools and colleges should not assume that students or their parents look for bursary information

Turning now to HE advisors in schools and colleges who had heard of bursaries, 38% had not personally sought out any bursary information mainly because they had left this task to their students and/or students' parents. Yet as we have seen, a sizable minority of students and their parents surveyed had not found out about bursaries. The majority of HE advisors surveyed had received some information, advice, and guidance about bursaries in the last 12 months directly from an HEI. Consequently, only 12% of advisors who had heard of bursaries had neither personally looked for bursary information nor received information about them from a third party. These HE advisors were poorly placed to inform their students fully about bursaries.

Significantly, HE advisors working in schools and colleges with high HE participation rates of 75 per cent and over were more likely than their colleagues in educational institutions with lower participation rates to have received bursary information from a third party (78% with 68%). Consequently, the latter HE advisors had to work harder to obtain information on bursaries despite the fact that they worked in institutions where their students were more likely to qualify for bursaries, to have the greatest financial needs, and to need the most reassurance about both the affordability of higher education and the availability of bursaries.

### Most find it easy to look for bursary information

Most students, parents and HE advisors who had looked for bursary information said it was easy to find out about what bursaries were available. But, there was still room for improvement in the accessibility of information. A half of students' parents found it difficult compared with a third of students and over a quarter (28%) of HE advisors. Advisors working in schools and college with lower HE participation rates found it harder to find out about bursaries than those working in establishments with higher rates, possibly because they were less likely to receive information directly from an HEI.

## Recommendations

- HE advisors in schools and colleges should find out about bursaries using national resources such as [www.direct.gov.uk/studentfinance](http://www.direct.gov.uk/studentfinance), and through their links with local universities and colleges. They should not assume that either their students or parents will seek out this information themselves, or that they know where to look.
- HEIs should actively engage with HE advisors in schools and colleges to ensure that they have better access to information about bursaries and scholarships, and should target bursary information and awareness raising activities at all schools and colleges rather than just those educational establishments with higher HE participation rates.
- HEIs should target more bursary information and awareness raising activities specifically at prospective students' parents.

## When students look for information on bursaries

As we have seen, the timing of when students look for information on bursaries and scholarships has a significant impact on how effective bursaries are in influencing their HE decisions. Specifically, for bursaries to affect which five HEIs students apply to via UCAS, they need to have looked for information before submitting their UCAS application – at the search stage. If bursaries are to influence students' final choice of HEI – which two HEIs they designate as their firm and insurance offer, students need to have looked for information once they have been offered a place at university. So when do students and others actually look for information on bursaries?

Some 42% of students surveyed searched for information before submitting their UCAS application form or while completing it, at the 'search' stage (Figure 6). A further quarter sought out information at the 'choice' stage after they had submitted their UCAS form and once they had been offered a place at university. For these two-thirds of

students, it was quite possible for bursaries to have influenced the five HEIs they applied to, or their final choice of HEI. However for the remaining third<sup>45</sup> who sought information on bursaries after they had made their final choice of HEI, it was very unlikely that bursaries would have had any impact on their HE decisions.

Unsurprisingly, given that most parents surveyed had looked for bursary information with their children (especially those with household incomes of less than £25,000) parents' information seeking behaviour mirrored that of their children. However, a slightly higher proportion had looked for information earlier.

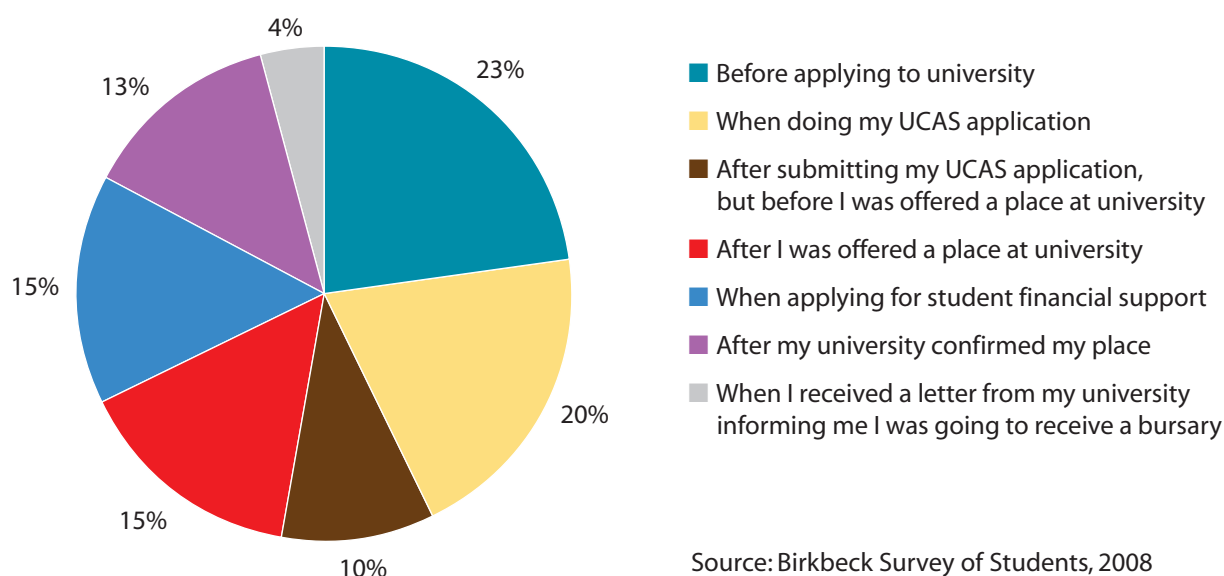
Clearly, both students and their parents need to be encouraged to look for information on bursaries and scholarships earlier, if bursaries and scholarships are to have a greater impact on student decision-making. As from 2009-10, students will be able to apply for student financial support earlier, immediately after they have submitted their UCAS application form. This may lead to a larger proportion of students looking at bursary information at an earlier stage and this, in turn, may influence their choice of HEI but not necessarily to which HEIs they apply.

## Most useful sources of information on bursaries

We were interested to find out the sources of information that students, their parents, and school and college HE advisors used to find out about bursaries, and the extent to which they relied on the material produced by HEIs. The research revealed that those who had heard of bursaries used a variety of sources of information. However by far the most popular and most useful information sources amongst all three groups were those produced by HEIs, especially their websites. Overall, 81% of students had used an HEI source of information, and 57% had specifically used an HEI website. In contrast, 36% obtained information on bursaries from their school or college; 35% through their personal networks; while 40% drew on other sources, primarily national or government sponsored

<sup>45</sup> This represents 16% of all students surveyed for OFFA, irrespective of whether they had heard of bursaries and looked for information on bursaries.

**Figure 6** When students looked for information on bursaries



Source: Birkbeck Survey of Students, 2008

websites (e.g. Student Finance Direct/SLC (27%); UCAS (16%); Directgov (14%)).<sup>46</sup>

### HEI websites rated as the most useful source

Of those students who had used an HEI source of information, three-quarters rated it as the most helpful (Figure 7). They favoured HEI websites most of all. Just over a half of students who had used an HEI website thought it was the most helpful source of information compared with for instance, less than a quarter obtaining information via an HEI open day.<sup>47</sup>

These students' views on the most helpful sources of bursary information were somewhat at odds with HEIs' opinions. Although HEI respondents surveyed for OFFA could not agree on the single most effective strategy for promoting student awareness of bursaries, they most frequently identified distributing information at open days and other events as the most productive. Yet, according to students this was the least useful HEI information source.

Parents similarly relied practically exclusively on HEI sources of information, with less than one in five

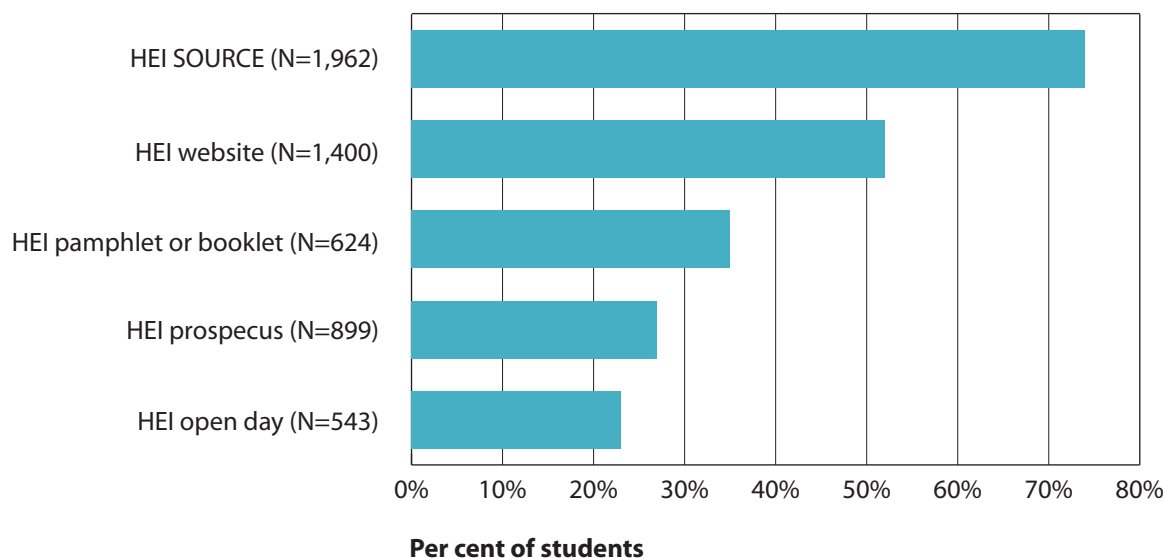
using the Student Finance Direct website and just one in ten using the UCAS website. Yet, nearly 70% of parents had used an HEI website, and 70% of these parents rated them as the most useful information source. In addition, a third had looked at a university prospectus but only a quarter of them found it the most useful source, while another quarter had examined a pamphlet or booklet produced by an HEI and around a third of them found this the most helpful source.

HE advisors in schools and colleges depended on websites rather than printed matter to find out about bursaries. They used a wider variety of websites than either students or their parents. All HE advisors had looked at an HEI website for information on bursaries, and over half rated these websites the most useful source. In addition, 82% had examined the UCAS website/Directory/Big guide but only a quarter rated it the most helpful. A further 64% had referred to the Student Finance Direct and the Directgov websites yet only 6% thought the first was the most helpful and 14% rated the second site the most helpful.

<sup>46</sup> National websites have changed since this survey was undertaken. Since February 2009, Student Finance Direct has been replaced by a new service: Student Finance England. Full-time higher education students from England can use its secure system to apply for finance online - and parents and partners can support an application online. [http://www.direct.gov.uk/en/D11/Directories/UsefulContactsByCategory/EducationAndLearningContacts/DG\\_172310](http://www.direct.gov.uk/en/D11/Directories/UsefulContactsByCategory/EducationAndLearningContacts/DG_172310)

<sup>47</sup> Of those students who had obtained information from their school or college, 39% rated it the most useful source, especially information provided by a teacher or tutor (29%). Of those students gaining information via their networks, 28% rated it the most useful source while of those students replying on other sources, 39% rated it the most useful, especially the Student Finance Direct/SLC and Directgov websites (29%).

**Figure 7** Percentage of students using an HEI source of information who thought it was the most useful source



Source: Birkbeck Survey of Students, 2008

These findings are both positive and negative. The reliance of students, their parents, and HE advisors on HEI websites means HEIs have control over the most used and important bursary information source. HEIs are therefore in a very strong position to inform students, parents, and HE advisors about their bursaries, and to ensure that all three groups are aware of bursaries and well informed about them. However, it also means that all three groups are not necessarily relying on a bias-free source of information as inevitably HEIs promote their particular institution in their literature in their competitive struggle for students.<sup>48</sup>

Moreover, bursary information on national and government-sponsored websites is currently under-utilised by students and parents. It needs to be more widely advertised and publicised to increase its usage. In addition, the information provided may need to be improved. For instance, while the vast majority of HE advisors used these websites, only a minority deemed them the most useful source of information on bursaries.

## Recommendations

- Improving HEIs' websites should be high on their list of priorities. HEIs need to ensure that the bursary information they provide on their websites and in their prospectuses is up to date, easy to understand and access, and available at the appropriate times. They should consider inserting a link to information on student financial support on prominent pages on their website to make it easier to find.
- Bursary messages on the UCAS and Directgov websites may need to be more widely publicised and promoted to increase their usage among students and parents. The information provided on them may need improving so it is more useful. The government also might want to assess the information it provides on other websites such as Teachernet and Aimhigher.

## Adequacy of information on bursaries

### Many think there is not enough information

Despite all the information HEIs provided on bursaries and scholarships and all the numerous different sources of information, some students, and

<sup>48</sup> Maringe, F and Gibbs, P (2008) *Marketing Higher Education*, Open University Press/McGraw Hill, London

the majority of their parents and HE advisors in schools and colleges surveyed for OFFA thought there was too little information on bursaries. Some 43% of students, 66% of parents, and 69% of advisors agreed with the statement: *'There is not enough information on bursaries.'*

More specifically, students, parents, and HE advisors in schools and colleges who had looked for information on bursaries reported large gaps in the material HEIs produced, despite the fact that HEIs claimed they provided very comprehensive information. Hardly any students, parents, or HE advisors thought there was too much information on bursaries, contrary to the views of the HE respondents surveyed, many of whom thought there was an excessive amount.

### Gaps in HEI information

The majority of students (58%) who had looked at some HEI information on bursaries thought there was insufficient information on when they would receive a bursary while 44% thought there was too little on how to apply for a bursary. Indeed, a half (49%) of students had not been told by their chosen university how to apply for a bursary. They usually were not told until their place had been confirmed (48% not told where place confirmed, 73% place unconfirmed), which suggests that HEIs were more concerned about supporting accepted students rather than applicants. In addition, students attending full HEBSS HEIs (51%) were far more likely not to have been told how to apply than those at non-HEBSS HEIs (37%), and information-only HEBSS HEIs (43%). While the HEBSS process means student bursaries are processed automatically for those students receiving other government-funded financial support, and have higher take-up rates than those institutions which do not subscribe to HEBSS, students were confused about whether or not they had to apply, and how to do so.

### Information sometimes unclear

In addition, the material HEIs provided on bursaries was sometimes unclear. The majority of students (55%) found it difficult to work out from this

information when they would receive a bursary which made budgeting and financial planning difficult. Also nearly a half could not work out whether receiving a bursary would affect their eligibility for other government-funded financial support such as loans and grants.

Parents had similar complaints as their children about the information available on bursaries. Around a half of parents surveyed thought there was not enough information about whether the receipt of a bursary would affect their child's eligibility for other student financial support. In addition, over two out of five thought there was too little information about when their son or daughter would receive a bursary, and how much they would receive. In addition, parents thought the information on these topics was unclear.

HE advisors in schools and colleges had similar concerns. They were most likely to think there was an insufficient amount of information on whether the receipt of a bursary affected a student's entitlement to other student financial support (49%), and when students would receive a bursary (39%). In addition, similar proportions of HE advisors rated the information provided on these two topics as unclear (46% and 39% respectively).

These findings send some very clear messages to HEIs and other stakeholders providing guidance on bursaries to students, their parents, and HE advisors. They pinpoint that the three topics that these three audiences need more and clearer information on are:

- when students receive their bursary
- how to apply for a bursary
- whether the receipt of bursaries affects a student's eligibility for government-funded student support.

Despite the fact that well over three-quarters of the HEIs surveyed provided information on these three topics in their stand-alone material on bursaries,<sup>49</sup> this information must be improved. It needs to be reviewed and evaluated to ensure that end-users understand it, and if necessary, changed so that all information is clear and easy to understand.

<sup>49</sup> 85% of the HEIs surveyed provided information on when students would receive a bursary; 97% on how to apply for their bursary; and 77% gave information explaining that the receipt of a bursary did not affect students' eligibility for other government funded support.



## Many underestimate the value of bursaries

Nearly all HEIs surveyed for OFFA provided information in their stand-alone material on bursaries about how much bursary students would receive. Some HEIs in the case studies also had bursary calculators on their websites so that students could work out how much they would get. However, both students and their parents surveyed often had unrealistic expectations about the amount of bursary payments. Students who had been told by their university that they would receive a bursary were asked how much they hoped to be awarded in their first year at university. The average amount they hoped to receive was £1,075. For almost half (47%) this amount was what they had expected, but for a third (32%) it was more than they anticipated, and for 22% less than hoped for, especially Black (45%) and Asian students (41%).

In contrast, only about a third of parents surveyed correctly estimated the value of their son or daughter's bursary while for just over a third the bursary was more generous than expected, for around one in five less than anticipated, and the remainder did not know how much bursary their child would receive. This reflects their concerns, discussed above, about the lack of information on the value of bursaries.

So overall, the majority of students and their parents – over half – had inaccurate expectations about the amount of bursary students would receive. This is important because as we have seen, the amount of bursary available impacted on their choice of HEI and students' perceptions about the affordability of university. Students who had over-estimated the value of their bursary were likely to be disappointed or disillusioned by what they actually received. Students who had under-estimated how much they were going to receive over-estimated the overall costs of university as a result. If they had known the true value of their bursary they may have made different HE choices. This suggests again that HEIs need to be much clearer about how the value of a bursary is calculated.

The difficulties of some students having overly high expectations about the value of their bursaries was exacerbated by the large minority of students – a third – who had yet to have had confirmation

about whether or not they would receive a bursary, and how much they would receive. This proportion is large given that students were surveyed in October 2008, just as they were about to start or had just started their HE course. If bursaries are to be a useful component in students' financial planning, then arguably students would benefit from knowing about their bursary eligibility and its value much earlier.

## Recommendations

- HEIs subscribing to the full HEBSS service should clearly state in their bursary information how a student's bursary application is processed and that they do not need to apply because of the HEI's HEBSS status. All HEIs need to inform students as soon as possible about how to apply for their bursary irrespective of whether or not bursaries are processed automatically through HEBSS.
- HEIs should provide clear information for students, parents, and HE advisors on how to apply for a bursary and when students will receive their bursary, and ensure they are aware that the receipt of institutional support does not affect eligibility for government-funded financial support.
- HEIs should invite feedback from prospective and current students and student unions on the information they provide on bursaries and scholarships to ensure that there are no gaps in the information provided, that the information is clearly presented, and that their bursary/scholarship offer is well understood.
- HEIs need to be clearer about the value of bursaries and how the value is calculated.
- HEIs should provide clear information on bursary criteria and inform students as soon as possible whether they qualify for a bursary and how much they will receive, to help them make informed choices at key decision making points and ensure that bursaries are a useful component in their financial planning.

## 6. Information on bursaries provided by HE advisors in schools and colleges

So far we have concentrated on the role of HEIs in providing students, parents and HE advisors with information on bursaries. However, we have argued that HE advisors in schools and colleges also play a crucial role in their own right in improving students' awareness and knowledge of bursaries. We have seen that despite their vital role, some advisors had not heard of bursaries, others were not particularly well-informed about them, or over-rated their knowledge and understanding of them, and most did not understand who qualified for a bursary or how much bursaries were worth even though they recognised that the amount of bursary influenced students' HE decisions.

In addition, a large minority left the task of finding out about bursaries to students and their parents.

### HE advisors over-estimate student knowledge of bursaries

In fact, HE advisors erroneously thought the majority of their students were well-informed about both government and institutional financial support, although they accurately assessed that students were least well-informed about bursaries and scholarships. However, they significantly over-estimated the proportion of students who they thought were well-informed about bursaries (67% of HE advisors compared with 47% of students) and scholarships (52% compared with 32%) compared with students' own assessment of their knowledge of institutional financial support. This disparity could affect the amount of information that HE advisors give to their students, and this in turn could affect their students' decision-making about HE.

So what proportion of the HE advisors surveyed provided students with information on bursaries, at what stage did they do this in the university application process, and what sort of information did they offer? The vast majority of HE advisors (94%) who had heard of bursaries gave their students some information, advice, and guidance specifically about bursaries. Half of those who had discussed bursaries with their students did so before their students had submitted their UCAS application form or when completing their form. HE advisors at institutions

with higher HE participation rates were more likely than their colleagues at institutions with lower participation rates to have told their students about bursaries at these earlier stages in the university application process (68% compared with 47%). And yet low-income applicants – those who are concentrated in educational institutions with low HE participation rates – are more likely to be affected by the affordability of HE in their HE decision-making.

The vast majority (84%) of HE advisors told their students how and where to get information on bursaries. However, only a minority provided some basic facts and information about bursaries such as: how to apply for bursaries (41%); whether or not students were eligible for a bursary (34%); and how bursaries vary from one university to another (34%). There was a tendency for HE advisors in schools and colleges with higher HE participation rates to talk more about these issues, but the differences between HE advisors were not large. Most HE advisors did not discuss bursaries in any detail with their students and erroneously assumed that students would find out about them themselves. However, as we have seen, this was not the case as about a quarter of students had not heard of bursaries, and of those who had, nearly a third had not looked for information on them.

### Recommendations

- HE advisors need to be more proactive in getting information about bursaries so that they are aware of them and knowledgeable about them, especially those advisors working in schools and colleges with lower HE participation rates.
- HE advisors need to familiarise themselves with the eligibility criteria used by HEIs to disburse both bursaries and scholarships and how the size of bursaries varies from one HEI to another, so as to ensure their students take advantage of the bursaries on offer.
- HE advisors need to ensure all their students are furnished with information on bursaries to help raise student awareness of bursaries and not assume that students and their parents will look for information on bursaries.

- HE advisors need to ensure that they do not make assumptions about the extent of students' knowledge about bursaries and scholarships, and to provide their students with more information so that they can make well-informed decisions.
- HE advisors should give their students information on bursaries before they submit their UCAS application form so that this information can be considered alongside students' other HE choices and deliberations – otherwise students may miss out on some financial support opportunities.
- HE advisors should discuss bursaries with their students and provide them with much more detailed information, so that their students are better informed to make judgements about the benefits of bursaries. Particularly, HE advisors should ensure that students understand how to get a bursary, how to research them, whether they qualify for one, and how the bursaries available vary from one HEI to another.



# Conclusions

## Positive response from HEIs

HEIs in England have responded very positively to the government's call to introduce a system of mandatory and non-mandatory discretionary student financial support. The majority offer bursaries well above the statutory minimum for students in receipt of a full grant although there is considerable variability between HEIs in the nature, scope, and generosity of the bursaries and scholarships they provide.

HEIs are using their bursaries and scholarships as part of a competitive strategy not just to widen participation but also to help position their university or college in an increasingly competitive HE marketplace. Specifically, HEIs are employing their institutional support as a mechanism to attract more students, and certain types of students, and so to safeguard their market share. Consequently, in line with the policy intention, bursaries and scholarships have both safeguarded access and contributed to the creation of a market, or quasi-market, within the HE sector.

Bursaries and scholarships are also, in part, fulfilling their key aims in terms of helping students overcome some of the perceived financial barriers to HE participation; promoting student choice; and aiding the goals of widening participation and safeguarding access. For some 29% of all the students surveyed, their decisions about whether to enter higher education, and where and what to study were affected by the availability of institutional financial support. For a smaller proportion – around one in eight, their decisions also were influenced by the generosity of the bursaries and scholarships on offer.<sup>50</sup> Consequently, institutional financial support was an effective recruitment tool for a sizable minority of students and acted as a financial incentive in these students' HE decision-making.

## Bursaries help make university 'affordable'

In particular, bursaries and scholarships helped students overcome the perceived financial barriers to HE participation. They had the largest impact on students concerned about the costs of going to university. They were valued most of all by the most

price sensitive students: students whose HE choices were constrained by their financial circumstances; who were worried about the costs of going to university and whether they could afford these costs; and who were anxious about building up debt while at university. Bursaries and scholarships encouraged these students to feel that university was more affordable by allaying some of their worries and helping them to off set some of these costs.

In addition, bursaries and scholarships facilitated wider participation and supported fair access. They successfully encouraged high achieving lower-income students to opt for higher status HEIs. Specifically, students at Russell Group universities were more likely to think that bursaries were important when deciding which university to go to compared with students attending other types of HEIs, most probably because they were better informed than these other students.

Furthermore, bursaries and scholarships were significantly more effective as a recruitment tool when the amount of financial support offered by HEIs was generous, particularly when worth £1,000 or more. Similarly, bursaries and scholarships had a far greater influence on students' decisions and choices if students found out about them before submitting their UCAS application form.

## Lack of awareness is weakening impact

However, as discussed at length in this report, the overall impact and efficiency of bursaries and scholarships in meeting their stated aims and objectives have been limited, to date, by a variety of factors. These factors include students', parents', and HE advisors' lack of awareness, knowledge and understanding of bursaries; the information-seeking behaviour of students, parents and HE advisors, especially the timing of their information search; and the usefulness and scope of information provided by HEIs and others. These challenges to the full success of bursaries and scholarships need to be addressed by HEIs and other stakeholders, and some ways in which this could be achieved have been outlined in the recommendations.

<sup>50</sup> Note this question was only asked of students who had heard of bursaries and who had looked for information on bursaries.

Over and above these issues, the system of bursaries and scholarships has yielded other policy challenges and outcomes, some of which may have been unanticipated. It is to these that we now turn.

### Many HEIs are offering non-needs based scholarships alongside their bursaries

As discussed above, most bursaries and scholarships offered by higher education institutions are meeting OFFA's and the government's desire to promote greater accessibility for lower income students. However, some schemes are potentially perpetuating existing divisions or inequalities within, and across, the HE sector. Specifically, the 38% of HEIs which in 2008-09, in addition to their core means-tested schemes, had non-need based scholarships that were worth more than the average means-tested bursaries aimed at low-income students.

The case study HEIs and other research show how these HEIs are using scholarships to attract the brightest and best students, in order to raise their institution's academic reputation and league table ranking. However, as research in the United States shows, such scholarships are awarded disproportionately to students from higher income and ethnic majority families, and thus, are less likely to meet national goals for widening participation and promoting fair access.<sup>51</sup>

Although institutions may only record low income students and students from disadvantaged backgrounds in their expenditure reports to OFFA, and are free to use additional fee income for different purposes as they see fit, there is a risk that, in a tight fiscal environment, non-means-tested schemes may be diverting resources away from bursaries for low-income students and potentially diminish the HE opportunities of these low-income students. This suggests that, at times, some bursaries and scholarships are being used more to the advantage of HEIs than to that of needy students, with institutional aid being used as a competitive tool in admissions rather than serving those in most financial need. Consequently, there has sometimes been an apparent mismatch between the government's original policy

intentions around bursaries and scholarships and the actual manner in which some of these awards are allocated and taken up.

### Many HEIs are targeting their provision at very specific student groups

Another policy challenge is that HEIs have created a complex system of bursaries and scholarships in their desire to target their provision at very specific student groups. This is especially the case for students from households with incomes above £25,000 – the level for the full government maintenance grant. This has resulted in a proliferation of different bursary and scholarship schemes each with their own eligibility criteria and value. Multiple schemes allow institutions to reach target groups more effectively and are sensitive to individual circumstances, but at a risk of potential confusion. This, in turn, can affect bursary and scholarship awareness and take-up, especially for students not in receipt of a full government maintenance grant. Multiple schemes can also affect HEIs' ability to present and communicate clear messages about exactly who qualifies for their institutional support. The majority of students, parents, and HE advisors in schools and colleges in this study, therefore, find it difficult to understand who can get a bursary, what bursaries are worth, and how they relate to other government-funded financial support. Their confusion is unsurprising given the freedom HEIs have to devise their institutional support as they see fit. The freedom that HEIs enjoy can in some circumstances lead to a trade-off between simplicity and targeting student financial help.

This confusion is often exacerbated by the language that HEIs use to describe their institutional financial support. This makes it hard for most students, parents and HE advisors to comprehend the differences between bursaries and scholarships, and may put off some students because of the stigma they associate with the receipt of such financial support.

<sup>51</sup> Heller D E (2006) *Merit aid and college access Madison*: Wisconsin Center for the Advancement of Postsecondary Education, University of Wisconsin; Heller D E and Marin P (Eds.) (2004). *State merit scholarship programs and racial inequality* Cambridge, MA: The Civil Rights Project at Harvard University

## The information gap

The complexity and confusion reported by many survey respondents are often aggravated by the lack of clarity of bursary and scholarship information and the information-seeking behaviour of students and those who advise them. So here we see the hallmarks associated with the low take-up of social security benefits – complexity and ignorance. These issues constitute another series of policy challenges. Despite the best efforts of HE institutions to produce and disseminate widely comprehensive information on their institutional support, sizable minorities of the students, parents, and HE advisors surveyed for OFFA were unaware of bursaries, did not look at the information produced, or only looked at it after students had made up their minds where they wanted to study. The majority of parents and HE advisors, and a sizable minority of students, think there is not enough information on bursaries.

## The need to target students at pre-UCAS application stage

Students, parents and higher education advisors all rely on the material HEIs produce about bursaries, especially HEIs' websites which they rate the most useful source of bursary information. Consequently, HEIs are in a very strong position to enlighten students and others about their financial support. However, HEIs need to target more information at students in the pre-UCAS application stage, and more generally at parents and HE advisors in schools and colleges, especially where HE participation rates are low. In addition, most students, parents, and HEI advisors believe HEIs provide insufficient or unclear guidance about when students receive their bursary, how to apply for a bursary, and whether the receipt of a bursary affects a student's entitlement to other government-funded student support. And the majority of students and their parents often have inaccurate expectations about the amount of bursary students will receive. So, HEIs and other stakeholders, including HE advisors in schools and colleges, should engage more closely in developing clear, consistent and comprehensive bursary messages.

## The challenge for HEIs subscribing to full HEBSS service

A further unanticipated outcome concerns HEBSS. HEBSS was set up for the benefit of both HEIs and students – to reduce the administrative burden for HEIs of distributing their bursaries and scholarships, and to ease the application process for students. It has largely fulfilled these objectives but has led to some unforeseen developments. In particular, students surveyed for OFFA who attended HEIs subscribing to the full HEBSS service were less informed about bursaries than those studying at information only-HEBSS HEIs, or HEIs not using the service. Specifically, HEBSS students were less aware of bursaries, less likely to look for information about them, and less likely to be told about the application process, and whether they qualified for a bursary. This suggests that although HEIs subscribing to the full HEBSS service have very high bursary take-up rates, they may have underestimated the need to disseminate information on bursaries or have been lulled into a false sense of security about bursary and scholarship awareness because of their HEBSS membership which automatically pays students if they qualify for institutional support.

Another unexpected outcome from this study also relates to the type of HEI students attend. Russell Group universities tend to have fewer bursary beneficiaries than other types of HEIs and so can afford to offer the most generous support per beneficiary. Consequently, students with the same financial needs have access to very different amounts of financial support depending on where they study. Some interpret these differences as an indication of the Russell Group's commitment to widening participation while others may see this as unequal treatment. And their students are more likely to be influenced by bursaries in their HE decisions than their peers studying elsewhere. Russell Group students are more aware of bursaries, more of them look for information on bursaries, and consequently, they have a better understanding of bursaries. Other HEIs should consider what they can learn from their colleagues at Russell Group universities.

### Bursaries provide a financial incentive to students

Bursaries and scholarships have helped create a more competitive HE market place by incentivising students through variable financial support. Their key purpose is to ensure the poorest students are not deterred by the costs of going to university – particularly those at more selective institutions. And indeed this study showed that the amount of bursary on offer encouraged students to apply to university. For many students, the value of bursaries was just one of the many factors they took into consideration when applying to and selecting their HEI. For others, larger bursaries affected which universities they applied to or to which they were more likely to consider applying. There is, therefore, a potential risk that student HE choices might become increasingly influenced by these financial incentives rather than academic considerations – a concern highlighted by the National Union of Students.<sup>52</sup>

### Potential for bursaries and scholarships to have greater impact

The research suggests that there is considerable potential for bursaries and scholarships to have a greater impact on students' decision-making about which university to attend than they currently do. However, to achieve this potential, the policy challenges described above must be addressed, especially the design characteristics of many HEIs' bursaries and scholarships as well as the individual or psychological factors affecting awareness. Overall, 61 per cent of all students surveyed for OFFA were unlikely to be influenced in their decisions about what and where to study by the availability of bursaries. This was because these students were unaware of bursaries, or had not looked for information on them, or had only examined this information once they had chosen which HEI they wanted to attend. For the same reasons three-quarters of parents and 38% of HE advisors were ill placed to shape their child's or students' deliberations about bursaries and scholarships, and hence their potential to influence any decisions about what and where to study was limited.

Bursaries and scholarships are important in student decision making for a significant minority of students, especially those who are financially vulnerable and price sensitive. There is, however, considerable scope for improving the overall effectiveness and efficiency of bursaries in promoting fair access and widening participation, as a recruitment tool and in influencing student decision-making. This will further strengthen HEIs' efforts to meet Dearing's challenge of a student support system which is 'equitable and encourage[s] broadly based participation..... [and] is easy to understand, administratively efficient and cost-effective.'<sup>53</sup>

<sup>52</sup> National Union of Students (nd) *Broke and Broken: A critique of the Higher Education Funding System* NUS, London

<sup>53</sup> National Committee into Higher Education (NCIHE) (1997) *op cit*.

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